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16 UNITED STATES DISTRICT COURT

17 CENTRAL DISTRICT OF CALIFORNIA

18 SOUTHERN DIVISION

19 In re QUESTCOR  
20 PHARMACEUTICALS, INC.  
21 SECURITIES LITIGATION

No. 8:12-cv-01623-DMG(JPRx)

CLASS ACTION

STIPULATION OF SETTLEMENT

22 This Document Relates To:

23 ALL ACTIONS.

1 This Stipulation of Settlement dated as of April 8, 2015 (the "Stipulation"), is  
 2 made and entered into by and among: (i) Lead Plaintiffs West Virginia Investment  
 3 Management Board and Plumbers & Pipefitters National Pension Fund; and named  
 4 plaintiff Steven Glucksberg (collectively, "Plaintiffs") (on behalf of themselves and  
 5 each of the Class Members), by and through their counsel of record in the Litigation  
 6 (as defined herein); and (ii) defendants Questcor Pharmaceuticals, Inc. ("Questcor" or  
 7 the "Company"), Don M. Bailey ("Bailey"), Michael H. Mulroy ("Mulroy"), Stephen  
 8 L. Cartt ("Cartt"), and David Young ("Young") (collectively, "Defendants"), by and  
 9 through their counsel of record in the Litigation. The Stipulation is intended to fully,  
 10 finally, and forever resolve, discharge, and settle the Released Claims (as defined  
 11 herein), subject to the approval of the Court and the terms and conditions set forth in  
 12 this Stipulation.

### 13 **I. THE LITIGATION**

14 On January 4, 2013, the United States District Court for the Central District of  
 15 California, Southern Division (the "Court") issued an order consolidating several  
 16 related actions,<sup>1</sup> appointing West Virginia Investment Management Board and  
 17 Plumbers & Pipefitters National Pension Fund as Lead Plaintiffs, and Robbins Geller  
 18 Rudman & Dowd LLP as Lead Counsel.

19 On March 5, 2013, Plaintiffs filed the Consolidated Class Action Complaint for  
 20 Violation of the Federal Securities Laws ("Complaint") against defendants Questcor,  
 21 Bailey, Mulroy, Cartt, Young, David J. Medeiros, and Mitchell J. Blutt. Plaintiffs  
 22 alleged, among other things, that throughout the Class Period (as defined herein),  
 23 Defendants issued false and misleading statements about the effectiveness of, and  
 24

25 <sup>1</sup> The following actions were consolidated: *John K. Norton v. Questcor Pharm.,*  
 26 *Inc., et al.*, CV 12-01623 DMG (FMOx); *Lee Beng Heng v. Questcor Pharm., Inc., et*  
 27 *al.*, CV 12-01707 DMG (FMOx); *Beth Danon and Joseph Damore v. Questcor*  
 28 *Pharm., Inc., et al.*, CV 12-01717 DMG (FMOx); *Ken Ho v. Questcor Pharm., Inc., et*  
*al.*, CV 12-01814 DMG (FMOx); and *Steven Glucksberg v. Questcor Pharm., Inc., et*  
*al.*, CV 12-01975 DMG (FMOx).

1 prospects for, Questcor's sole product, Acthar, while simultaneously using Questcor's  
2 cash to prop up the price of Questcor shares through the purchase of hundreds of  
3 millions of dollars of Questcor stock in the open market. As a result, Questcor's stock  
4 traded at artificially inflated prices. On May 6, 2013, all Defendants moved to dismiss  
5 the Complaint. Defendants asserted, among other things, that Plaintiffs failed to plead  
6 the elements of falsity, scienter, and loss causation under the pleading standards set  
7 forth in the Federal Rules of Civil Procedure and the Private Securities Litigation  
8 Reform Act of 1995 ("PSLRA"). After full briefing by all parties, the Court held a  
9 hearing on September 13, 2013, and issued its order granting in part and denying in  
10 part the motions to dismiss (the "Order"). In the Order, the Court dismissed  
11 individual defendants David J. Medeiros and Mitchell J. Blutt, as well as allegations  
12 related to misstatements by Questcor about its compliance with regulations and  
13 industry standards. The Court denied all other aspects of Defendants' motions to  
14 dismiss. Thereafter, Defendants filed answers denying all allegations in the  
15 Complaint and asserting defenses thereto.

16 Following the ruling on Defendants' motions to dismiss, the Settling Parties (as  
17 defined herein) began formal discovery. The Settling Parties served written discovery  
18 on each other, and issued subpoenas to third parties. By the close of fact discovery in  
19 January 2015, Plaintiffs had collected over 1.6 million pages of documents from, and  
20 took 26 depositions of, Defendants and various current and former Questcor  
21 employees, prescribing doctors and other third parties. Similarly, Defendants  
22 collected over 200,000 pages of documents from Plaintiffs, their investment managers  
23 and other third parties and took six total depositions.

24 On August 4, 2014, Plaintiffs filed a motion for class certification. Defendants  
25 filed a statement of non-opposition to the class certification motion on November 3,  
26 2014. The Court granted the class certification motion on November 12, 2014. The  
27 order appointed Lead Plaintiffs to represent a class defined as: "All persons or entities  
28 who, between April 4, 2011 and September 21, 2012, inclusive, purchased or

1 otherwise acquired the common stock of Questcor Pharmaceuticals, Inc. ("Questcor"  
2 or the "Company"), and were damaged thereby." The Court also appointed Plaintiff  
3 Steven Glucksberg to represent a subclass defined as: "All persons or entities who,  
4 between April 4, 2011 and September 21, 2012, inclusive, purchased or otherwise  
5 acquired the common stock of Questcor contemporaneously with defendant Don M.  
6 Bailey's sales of Questcor common stock between April 4, 2011 and September 21,  
7 2012, inclusive, and were damaged thereby."

8 In the course of the Litigation, the Settling Parties engaged the services of the  
9 Honorable Layn R. Phillips (Ret.), a nationally recognized mediator. The Settling  
10 Parties engaged in an in-person mediation session with Judge Phillips, on September  
11 8, 2014. While the Settling Parties did not reach an agreement to settle the Litigation  
12 at the mediation, the Settling Parties continued settlement negotiations with the  
13 assistance of Judge Phillips. These efforts culminated with the Settling Parties  
14 agreeing to settle the Litigation for \$38,000,000, pursuant to a mediator's proposal by  
15 Judge Phillips which was separately accepted by the Settling Parties.

## 16 **II. DEFENDANTS' DENIALS OF WRONGDOING AND** 17 **LIABILITY**

18 Defendants have denied and continue to deny each and all of the claims alleged  
19 by Plaintiffs and the Class in the Litigation. Defendants expressly have denied and  
20 continue to deny all charges of wrongdoing or liability against them arising out of any  
21 of the conduct, statements, acts or omissions alleged, or that could have been alleged,  
22 in the Litigation. Defendants also have denied and continue to deny, among other  
23 allegations, the allegations that the Plaintiffs or the Class have suffered any damage,  
24 that the price of Questcor common stock was artificially inflated by reasons of alleged  
25 misrepresentations, non-disclosures or otherwise, or that the Plaintiffs or the Class,  
26 were harmed by the conduct alleged, or that could have been alleged, in the Litigation.  
27 Defendants believe that the evidence developed to date supports their position that  
28 they acted properly at all times and that the Litigation is without merit. In addition,

1 Defendants maintain that they have meritorious defenses to all claims alleged in the  
2 Litigation.

3 Nonetheless, Defendants have concluded that further conduct of the Litigation  
4 would be protracted and expensive. Defendants also have taken into account the  
5 uncertainty and risks inherent in any litigation, especially in complex cases such as  
6 this Litigation. Defendants have, therefore, determined that it is desirable and  
7 beneficial to them that the Litigation be settled in the manner and upon the terms and  
8 conditions set forth in this Stipulation.

### 9 **III. PLAINTIFFS' CLAIMS AND THE BENEFITS OF** 10 **SETTLEMENT**

11 Plaintiffs believe that the claims asserted in the Litigation have merit and that  
12 the evidence developed to date supports the claims. However, Plaintiffs and their  
13 counsel recognize and acknowledge the expense and length of continued proceedings  
14 necessary to prosecute the Litigation against Defendants through trial and through  
15 appeals. Plaintiffs and their counsel also have taken into account the uncertain  
16 outcome and the risk of any litigation, especially in complex actions such as this  
17 Litigation, as well as recent changes in the law and the difficulties and delays inherent  
18 in such litigation. Plaintiffs and their counsel also are mindful of the inherent  
19 problems of proof under and possible defenses to the securities law violations asserted  
20 in the Litigation. Plaintiffs and their counsel believe that the settlement set forth in the  
21 Stipulation confers substantial benefits upon the Class. Based on their evaluation,  
22 Plaintiffs and their counsel have determined that the settlement set forth in the  
23 Stipulation is in the best interests of the Class.

### 24 **IV. TERMS OF STIPULATION AND AGREEMENT OF** 25 **SETTLEMENT**

26 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and  
27 among Plaintiffs (for themselves and the Class) and Defendants, by and through their  
28 respective counsel or attorneys of record, that, subject to the approval of the Court, the

Litigation and the Released Claims shall be finally and fully compromised, settled, and released, and the Litigation shall be dismissed with prejudice, as to all Settling Parties, upon and subject to the terms and conditions of the Stipulation, as follows.

**1. Definitions**

As used in the Stipulation the following terms have the meanings specified below:

1.1 “Authorized Claimant” means any Class Member whose claim for recovery has been allowed pursuant to the terms of the Stipulation.

1.2 “Claims Administrator” means the firm of Gilardi & Co. LLC.

1.3 “Class” means all Persons who, between April 4, 2011 and September 21, 2012, inclusive, purchased or otherwise acquired the common stock of Questcor, and were damaged thereby. Excluded from the Class are current and former defendants, members of the immediate family of any current or former defendants, directors, officers, subsidiaries and affiliates of Questcor, any person, firm, trust, corporation, officer, director or other individual or entity in which any current or former defendant has a controlling interest, and the legal representatives, affiliates, heirs, successors-in-interest or assigns of any such excluded party. Also excluded from the Class are those Persons who timely and validly request exclusion from the Class.

1.4 “Class Member” or “Member of the Class” mean a Person who falls within the definition of the Class as set forth in ¶1.3 above.

1.5 “Class Period” means the period from April 4, 2011 through September 21, 2012, inclusive.

1.6 “Defendants” means Questcor and the Individual Defendants.

1.7 “Defendants’ Counsel” means Skadden, Arps, Slate, Meagher & Flom LLP and Latham & Watkins LLP.



1           1.8   “Effective Date,” or the date upon which this settlement becomes  
2 “effective,” means the date by which all of the events and conditions specified in ¶7.1  
3 of the Stipulation have been met and have occurred.

4           1.9   “Escrow Agent” means the law firm of Robbins Geller Rudman & Dowd  
5 LLP or its successor(s).

6           1.10 “Final” means when the last of the following with respect to the  
7 Judgment approving the Stipulation, substantially in the form of Exhibit B attached  
8 hereto, shall occur: (i) the expiration of the time to file a motion to alter or amend the  
9 Judgment under Federal Rule of Civil Procedure 59(e) without any such motion  
10 having been filed; (ii) the time in which to appeal the Judgment has passed without  
11 any appeal having been taken; or (iii) if a motion to alter or amend is filed or if an  
12 appeal is taken, immediately after the determination of that motion or appeal so that it  
13 is no longer subject to any further judicial review or appeal whatsoever, whether by  
14 reason of affirmance by a court of last resort, lapse of time, voluntary dismissal of the  
15 appeal or otherwise in such a manner as to permit the consummation of the settlement  
16 substantially in accordance with the terms and conditions of this Stipulation. For  
17 purposes of this paragraph, an “appeal” shall include any petition for a writ of  
18 certiorari or other writ that may be filed in connection with approval or disapproval of  
19 this settlement, but shall not include any appeal which concerns only the issue of Lead  
20 Counsel’s attorneys’ fees and expenses, payments to Plaintiffs for their time and  
21 expenses, the Plan of Allocation of the Settlement Fund, as hereinafter defined, or the  
22 procedures for determining Authorized Claimants’ recognized claims.

23           1.11 “Individual Defendants” means Don M. Bailey, Michael H. Mulroy,  
24 Stephen L. Cartt, and David Young.

25           1.12 “Judgment” means the Final Judgment and Order of Dismissal with  
26 Prejudice to be rendered by the Court, substantially in the form attached hereto as  
27 Exhibit B.

28

1 1.13 "Lead Counsel" means Robbins Geller Rudman & Dowd LLP, 655 West  
2 Broadway, Suite 1900, San Diego, CA 92101.

3 1.14 "Lead Plaintiffs" means Plumbers & Pipefitters National Pension Fund  
4 and West Virginia Investment Management Board.

5 1.15 "Litigation" means the action captioned *In re Questcor Pharmaceuticals,*  
6 *Inc. Securities Litigation*, No. 8:12-cv-01623-DMG (JPRx).

7 1.16 "Net Settlement Fund" means the Settlement Fund less any attorneys'  
8 fees, costs, expenses, and interest and any award to Plaintiffs provided for herein or  
9 approved by the Court and less Notice and Administration Expenses, Taxes and Tax  
10 Expenses, and other Court-approved deductions.

11 1.17 "Person" means an individual, corporation, partnership, limited  
12 partnership, association, joint stock company, estate, legal representative, trust,  
13 unincorporated association, government or any political subdivision or agency thereof,  
14 and any business or legal entity and their spouses, heirs, predecessors, successors,  
15 representatives, or assignees.

16 1.18 "Plaintiffs" means Lead Plaintiffs and Steven Glucksberg.

17 1.19 "Plan of Allocation" means a plan or formula of allocation of the Net  
18 Settlement Fund whereby the Net Settlement Fund shall be distributed to Authorized  
19 Claimants. Any Plan of Allocation is not part of the Stipulation and neither  
20 Defendants nor their Related Parties shall have any responsibility or liability with  
21 respect thereto.

22 1.20 "Questcor" means Questcor Pharmaceuticals, Inc.

23 1.21 "Related Parties" means each of a Defendant's respective present and  
24 former parents, subsidiaries, divisions and affiliates and the respective present and  
25 former employees, members, partners, principals, officers, directors, attorneys,  
26 advisors, accountants, auditors, and insurers of each of them; and the predecessors,  
27 successors, estates, heirs, executors, trusts, trustees, administrators, agents,  
28 representatives and assigns of each of them, in their capacity as such.



1           1.22 “Released Claims” means any and all claims and causes of action of every  
2 nature and description whatsoever whether known or unknown, asserted or unasserted,  
3 whether arising under federal, state, local, statutory, common, foreign or administrative  
4 law, or any other law, rule or regulation, whether fixed or contingent, at law or in  
5 equity, whether class or individual in nature, that Plaintiffs, or any other Member of the  
6 Class or the representatives, heirs, successors-in-interest and assigns of any of them,  
7 asserted in the Litigation or could have asserted, directly or indirectly, in any forum that  
8 arise out of or are based upon or related to (i) the purchase or acquisition of Questcor  
9 common stock, and (ii) the claims, allegations, transactions, facts, matters,  
10 circumstances, or occurrences, representations or omissions involved, set forth, alleged,  
11 embraced, encompassed, or otherwise referred to in the Complaint. “Released Claims”  
12 includes “Unknown Claims” as defined in ¶1.28 hereof.

13           1.23 “Released Persons” means each and all of the Defendants, their Related  
14 Parties, David J. Medeiros, and Mitchell J. Blutt.

15           1.24 “Settlement Amount” means Thirty-Eight Million Dollars  
16 (\$38,000,000.00) in cash to be paid by wire transfer to the Escrow Agent pursuant to  
17 ¶2.1 of this Stipulation.

18           1.25 “Settlement Fund” means the Settlement Amount plus all interest and  
19 accretions thereto and which may be reduced by payments or deductions as provided  
20 herein or by Court order.

21           1.26 “Settling Parties” means, collectively, Defendants and Plaintiffs on  
22 behalf of themselves and the Class.

23           1.27 “Tax” or “Taxes” mean any and all taxes, fees, levies, duties, tariffs,  
24 imposts, and other charges of any kind (together with any and all interest, penalties,  
25 additions to tax and additional amounts imposed with respect thereto) imposed by any  
26 governmental authority.

27           1.28 “Unknown Claims” means any claims which Plaintiffs or Class Members  
28 do not know or suspect to exist in his, her or its favor at the time of the release of the

1 Released Persons which, if known by him, her or it, might have affected his, her or its  
2 settlement with and release of the Released Persons, or might have affected his, her or  
3 its decision not to object to this settlement or seek exclusion from the Class. With  
4 respect to any and all Released Claims, the Settling Parties stipulate and agree that,  
5 upon the Effective Date, Plaintiffs shall expressly waive and each of the Class  
6 Members shall be deemed to have, and by operation of the Judgment shall have,  
7 expressly waived the provisions, rights, and benefits of California Civil Code §1542,  
8 which provides:

9                   **A general release does not extend to claims which the creditor**  
10                   **does not know or suspect to exist in his or her favor at the time of**  
11                   **executing the release, which if known by him or her must have**  
12                   **materially affected his or her settlement with the debtor.**

13 Plaintiffs shall expressly waive and each of the Class Members shall be deemed to  
14 have, and by operation of the Judgment shall have, expressly waived any and all  
15 provisions, rights, and benefits conferred by any law of any state or territory of the  
16 United States or any foreign country, or any principle of common law, which is  
17 similar, comparable or equivalent in substance to California Civil Code §1542.  
18 Plaintiffs and Class Members may hereafter discover facts in addition to or different  
19 from those which he, she or it now knows or believes to be true with respect to the  
20 subject matter of the Released Claims, but Plaintiffs shall expressly settle and release  
21 and each Class Member, upon the Effective Date, shall be deemed to have, and by  
22 operation of the Judgment shall have, fully, finally, and forever settled and released  
23 any and all Released Claims, known or unknown, suspected or unsuspected,  
24 contingent or non-contingent, whether or not concealed or hidden, which now exist, or  
25 heretofore have existed, upon any theory of law or equity now existing or coming into  
26 existence in the future, including, but not limited to, conduct which is negligent,  
27 intentional, with or without malice, or a breach of any duty, law or rule, without  
28 regard to the subsequent discovery or existence of such different or additional facts.

1 Plaintiffs acknowledge, and the Class Members shall be deemed by operation of the  
2 Judgment to have acknowledged, that the foregoing waiver was separately bargained  
3 for and a key element of the settlement of which this release is a part.

4 **2. The Settlement**

5 **a. The Settlement Amount**

6 2.1 Questcor shall pay or cause to be paid the Settlement Amount by wire  
7 transfer in accordance with instructions to be provided by the Escrow Agent. The  
8 Settlement Amount shall be paid the earlier of (i) ten (10) calendar days of the entry of  
9 an order granting preliminary approval of the settlement, or (ii) April 14, 2015. If the  
10 entire Settlement Amount is not timely paid to the Escrow Agent, Lead Counsel may  
11 terminate the settlement but only if (i) Lead Counsel have notified Defendants'  
12 Counsel in writing of Lead Counsel's intention to terminate the settlement, and (ii) the  
13 entire Settlement Amount is not transferred to the Escrow Agent within three (3)  
14 calendar days after Lead Counsel have provided such written notice by email. The  
15 Escrow Agent shall deposit the Settlement Amount in a segregated escrow account  
16 (the "Escrow Account") maintained by the Escrow Agent.

17 **b. The Escrow Agent**

18 2.2 The Escrow Agent shall invest the Settlement Amount deposited pursuant  
19 to ¶2.1 hereof in United States Agency or Treasury Securities or other instruments  
20 backed by the Full Faith & Credit of the United States Government or an Agency  
21 thereof, or fully insured by the United States Government or an Agency thereof and  
22 shall reinvest the proceeds of these instruments as they mature in similar instruments  
23 at their then-current market rates. All risks related to the investment of the Settlement  
24 Fund in accordance with the investment guidelines set forth in this paragraph shall be  
25 borne by the Settlement Fund. The Released Persons shall have no responsibility for,  
26 interest in, or liability whatsoever with respect to investment decisions or the actions  
27 of the Escrow Agent, or any transactions executed by the Escrow Agent.

1           2.3    The Escrow Agent shall not disburse the Settlement Fund except as  
2 provided in the Stipulation, by an order of the Court, or with the written agreement of  
3 counsel for Defendants.

4           2.4    Subject to further order(s) and/or directions as may be made by the Court,  
5 or as provided in the Stipulation, the Escrow Agent is authorized to execute such  
6 transactions as are consistent with the terms of the Stipulation. The Released Persons  
7 shall have no responsibility for, interest in, or liability whatsoever with respect to the  
8 actions of the Escrow Agent, or any transaction executed by the Escrow Agent.

9           2.5    All funds held by the Escrow Agent shall be deemed and considered to be  
10 in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court,  
11 until such time as such funds shall be distributed pursuant to the Stipulation and/or  
12 further order(s) of the Court.

13          2.6    Prior to the Effective Date and without further order of the Court, up to  
14 \$300,000 of the Settlement Fund may be used by Lead Counsel to pay reasonable  
15 costs and expenses actually incurred in connection with providing notice to the Class,  
16 locating Class Members, soliciting claims, assisting with the submission of claims,  
17 processing Proof of Claim and Release forms, administering and distributing the Net  
18 Settlement Fund to Authorized Claimants, and paying escrow fees and costs, if any  
19 (“Notice and Administration Expenses”). After the Effective Date, Lead Counsel may  
20 pay all further reasonable Notice and Administration Expenses, regardless of amount,  
21 without further order of the Court. If the settlement is not approved by the Court or  
22 does not become effective pursuant to the terms of the Stipulation, then any amounts  
23 paid or incurred for such expenses in this paragraph shall not be returned to  
24 Defendants and/or their insurers. Notwithstanding the foregoing, Questcor shall be  
25 responsible for the costs and expenses of providing to Lead Counsel and/or the Claims  
26 Administrator pertinent shareholder transfer records for purposes of mailing notice to  
27 the Class and Questcor shall be responsible for administering as well as the cost and  
28 expenses in providing notice pursuant to the Class Action Fairness Act.

1           2.7 It shall be Lead Counsel's responsibility to disseminate the Notice (as  
2 defined below) and summary notice to the Class in accordance with this Stipulation  
3 and as ordered by the Court. Class Members shall have no recourse as to the Released  
4 Persons with respect to any claims they may have that arise from any failure of the  
5 notice process.

6                   **c. Taxes**

7           2.8 (a) The Settling Parties and the Escrow Agent agree to treat the  
8 Settlement Fund as being at all times a "qualified settlement fund" within the meaning  
9 of Treas. Reg. §1.468B-1. In addition, the Escrow Agent shall timely make such  
10 elections as necessary or advisable to carry out the provisions of this ¶2.8, including  
11 the "relation-back election" (as defined in Treas. Reg. §1.468B-1) back to the earliest  
12 permitted date. Such elections shall be made in compliance with the procedures and  
13 requirements contained in such regulations. It shall be the responsibility of the  
14 Escrow Agent to timely and properly prepare and deliver the necessary documentation  
15 for signature by all necessary parties, and thereafter to cause the appropriate filing to  
16 occur.

17                   (b) For the purpose of §1.468B of the Internal Revenue Code of 1986,  
18 as amended, and the regulations promulgated thereunder, the "administrator" shall be  
19 the Escrow Agent. The Escrow Agent shall timely and properly file all informational  
20 and other tax returns necessary or advisable with respect to the Settlement Fund  
21 (including, without limitation, the returns described in Treas. Reg. §1.468B-2(k)).  
22 Such returns (as well as the election described in ¶2.8(a) hereof) shall be consistent  
23 with this ¶2.8 and in all events shall reflect that all Taxes (including any estimated  
24 Taxes, interest or penalties) on the income earned by the Settlement Fund shall be  
25 paid out of the Settlement Fund as provided in ¶2.8(c) hereof.

26                   (c) All (a) Taxes (including any estimated Taxes, interest or penalties)  
27 arising with respect to the income earned by the Settlement Fund, including any Taxes  
28 or tax detriments that may be imposed upon the Released Persons or their counsel

1 with respect to any income earned by the Settlement Fund for any period during which  
2 the Settlement Fund does not qualify as a “qualified settlement fund” for federal or  
3 state income tax purposes, and (b) expenses and costs incurred in connection with the  
4 operation and implementation of this ¶2.8 (including, without limitation, expenses of  
5 tax attorneys and/or accountants and mailing and distribution costs and expenses  
6 relating to filing (or failing to file) the returns described in this ¶2.8) (“Tax  
7 Expenses”), shall be paid out of the Settlement Fund; in all events the Released  
8 Persons and their counsel shall have no liability or responsibility for the Taxes or the  
9 Tax Expenses. The Escrow Agent, through the Settlement Fund, shall indemnify and  
10 hold each of the Released Persons and their counsel harmless for Taxes and Tax  
11 Expenses (including, without limitation, Taxes payable by reason of any such  
12 indemnification). Further, Taxes and Tax Expenses shall be treated as, and considered  
13 to be, a cost of administration of the Settlement Fund and shall be timely paid by the  
14 Escrow Agent out of the Settlement Fund without prior order from the Court and the  
15 Escrow Agent shall be authorized (notwithstanding anything herein to the contrary) to  
16 withhold from distribution to Authorized Claimants any funds necessary to pay such  
17 amounts, including the establishment of adequate reserves for any Taxes and Tax  
18 Expenses (as well as any amounts that may be required to be withheld under Treas.  
19 Reg. §1.468B-2(l)(2)); neither the Released Persons nor their counsel are responsible  
20 nor shall they have any liability for any Taxes or Tax Expenses. The Settling Parties  
21 hereto agree to cooperate with the Escrow Agent, each other, and their tax attorneys  
22 and accountants to the extent reasonably necessary to carry out the provisions of this  
23 ¶2.8.

24 **d. Termination of Settlement**

25 2.9 In the event that the Stipulation is not approved or the Stipulation is  
26 terminated, canceled, or fails to become effective for any reason, the Settlement Fund  
27 less Notice and Administration Expenses or Taxes or Tax Expenses paid, incurred, or  
28 due and owing in connection with the settlement provided for herein, shall be



1 refunded pursuant to written instructions from counsel for the Defendants in  
2 accordance with ¶7.4 herein.

3           **3. Preliminary Approval Order and Settlement Hearing**

4           3.1 Promptly after execution of the Stipulation, Lead Counsel shall submit  
5 the Stipulation together with its Exhibits to the Court and shall apply for entry of an  
6 order (the “Preliminary Approval Order”), substantially in the form of Exhibit A  
7 attached hereto, requesting, *inter alia*, the preliminary approval of the settlement set  
8 forth in the Stipulation, and approval for the mailing of a settlement notice (the  
9 “Notice”) and publication of a summary notice, substantially in the forms of Exhibits  
10 A-1 and A-3 attached hereto. The Notice shall include the general terms of the  
11 settlement set forth in the Stipulation, the proposed Plan of Allocation, the general  
12 terms of the Fee and Expense Application, as defined in ¶6.1 hereof, and the date of  
13 the Settlement Hearing as defined below.

14           3.2 Lead Counsel shall request that after notice is given, the Court hold a  
15 hearing (the “Settlement Hearing”), with such hearing occurring not less than one  
16 hundred (100) days after the Preliminary Approval Order is entered. At or after the  
17 Settlement Hearing, Lead Counsel also will request that the Court approve the  
18 proposed Plan of Allocation and the Fee and Expense Application and Plaintiffs’  
19 request for payment of their time and expenses, if any.

20           **4. Releases**

21           4.1 Upon the Effective Date, as defined in ¶1.8 hereof, Plaintiffs shall, and  
22 each of the Class Members shall be deemed to have, and by operation of the Judgment  
23 shall have, fully, finally, and forever released, relinquished, and discharged all  
24 Released Claims against the Released Persons, whether or not such Class Member  
25 executes and delivers the Proof of Claim and Release or shares in the Settlement  
26 Fund. Claims to enforce the terms of this Stipulation are not released.

1           4.2    The Proof of Claim and Release to be executed by Class Members shall  
2 release all Released Claims against the Released Persons and shall be substantially in  
3 the form contained in Exhibit A-2 attached hereto.

4           4.3    Upon the Effective Date, as defined in ¶1.8 hereof, all Class Members  
5 and anyone claiming through or on behalf of any of them, will be forever barred and  
6 enjoined from commencing, instituting, prosecuting or continuing to prosecute any  
7 action or other proceeding in any court of law or equity, arbitration tribunal, or  
8 administrative forum, asserting the Released Claims against any of the Released  
9 Persons.

10          4.4    Upon the Effective Date, as defined in ¶1.8 hereof, each of the Released  
11 Persons shall be deemed to have, and by operation of the Judgment shall have, fully,  
12 finally, and forever released, relinquished, and discharged Plaintiffs, each and all of  
13 the Class Members, and Plaintiffs' counsel from all claims and causes of action of  
14 every nature and description (including Unknown Claims), whether arising under  
15 federal (including Federal Rules of Civil Procedure 11 and 37.1), state, common or  
16 foreign law, that arise out of or relate to the institution, prosecution, or settlement of  
17 the claims against Defendants, except for claims relating to the enforcement of the  
18 settlement.

19           **5.     Administration and Calculation of Claims, Final Awards**  
20           **and Supervision and Distribution of the Settlement Fund**

21          5.1    The Claims Administrator, subject to such supervision and direction of  
22 the Court as may be necessary or as circumstances may require, shall administer and  
23 calculate the claims submitted by Class Members and shall oversee distribution of the  
24 Net Settlement Fund to Authorized Claimants.

25          5.2    The Settlement Fund shall be applied as follows:

26               (a)   to pay all the costs and expenses reasonably and actually incurred  
27 in connection with providing notice, locating Class Members, soliciting Class claims,  
28 assisting with the filing of claims, administering and distributing the Net Settlement

1 Fund to Authorized Claimants, processing Proof of Claim and Release forms, and  
2 paying escrow fees and costs, if any;

3 (b) to pay the Taxes and Tax Expenses described in ¶2.8 hereof;

4 (c) to pay attorneys' fees and expenses of counsel for Plaintiffs (the  
5 "Fee and Expense Award"), and to reimburse Plaintiffs for their time and expenses  
6 pursuant to 15 U.S.C. §78u-4(a)(4), if and to the extent allowed by the Court; and

7 (d) after the Effective Date, to distribute the Net Settlement Fund to  
8 Authorized Claimants as allowed by the Stipulation, the Plan of Allocation, or the  
9 Court.

10 5.3 After the Effective Date, and in accordance with the terms of the  
11 Stipulation, the Plan of Allocation, or such further approval and further order(s) of the  
12 Court as may be necessary or as circumstances may require, the Net Settlement Fund  
13 shall be distributed to Authorized Claimants, subject to and in accordance with the  
14 following.

15 5.4 Within ninety (90) days after the mailing of the Notice or such other time  
16 as may be set by the Court, each Person claiming to be an Authorized Claimant shall  
17 be required to submit to the Claims Administrator a completed Proof of Claim and  
18 Release, substantially in the form of Exhibit A-2 attached hereto, signed under penalty  
19 of perjury and supported by such documents as are specified in the Proof of Claim and  
20 Release.

21 5.5 Except as otherwise ordered by the Court, all Class Members who fail to  
22 timely submit a valid Proof of Claim and Release within such period, or such other  
23 period as may be ordered by the Court, or otherwise allowed, shall be forever barred  
24 from receiving any payments pursuant to the Stipulation and the settlement set forth  
25 herein, but will in all other respects be subject to and bound by the provisions of the  
26 Stipulation, the releases contained herein, and the Judgment. Notwithstanding the  
27 foregoing, Lead Counsel shall have the discretion (but not an obligation) to accept  
28 late-submitted claims for processing by the Claims Administrator so long as the

1 distribution of the Net Settlement Fund to Authorized Claimants is not materially  
2 delayed thereby.

3       5.6 The Net Settlement Fund shall be distributed to the Authorized Claimants  
4 substantially in accordance with the Plan of Allocation set forth in the Notice and  
5 approved by the Court. If there is any balance remaining in the Net Settlement Fund  
6 after a reasonable period of time after the date of the initial distribution of the Net  
7 Settlement Fund, Lead Counsel shall, if feasible, reallocate (which reallocation may  
8 occur on multiple occasions) such balance among Authorized Claimants in an  
9 equitable and economic fashion. Thereafter, any *de minimis* balance which still  
10 remains in the Net Settlement Fund shall be donated to an appropriate non-profit  
11 organization.

12       5.7 The Defendants and their Related Parties shall have no responsibility for,  
13 interest in, or liability whatsoever with respect to the distribution of the Net Settlement  
14 Fund, the Plan of Allocation, the determination, administration, or calculation of  
15 claims, the payment or withholding of Taxes or Tax Expenses, or any losses incurred  
16 in connection therewith. No Person shall have any claim of any kind against the  
17 Defendants or their Related Parties with respect to the matters set forth in ¶¶5.1-5.9  
18 hereof; and the Class Members, Plaintiffs, and Lead Counsel release the Defendants  
19 and their Related Parties from any and all liability and claims arising from or with  
20 respect to the administration, investment or distribution of the Settlement Fund.

21       5.8 No Person shall have any claim against Plaintiffs, Lead Counsel or the  
22 Claims Administrator, or any other Person designated by Lead Counsel based on  
23 determinations or distributions made substantially in accordance with the Stipulation  
24 and the settlement contained herein, the Plan of Allocation, or further order(s) of the  
25 Court.

26       5.9 It is understood and agreed by the Settling Parties that any proposed Plan  
27 of Allocation of the Net Settlement Fund including, but not limited to, any  
28 adjustments to an Authorized Claimant's claim set forth therein, is not a part of the

1 Stipulation and is to be considered by the Court separately from the Court's  
2 consideration of the fairness, reasonableness, and adequacy of the settlement set forth  
3 in the Stipulation, and any order or proceeding relating to the Plan of Allocation shall  
4 not operate to terminate or cancel the Stipulation or affect the finality of the Court's  
5 Judgment approving the Stipulation and the settlement set forth herein.

6 **6. Lead Counsel's Attorneys' Fees and Expenses**

7 6.1 Lead Counsel may submit an application or applications (the "Fee and  
8 Expense Application") for: (a) an award of attorneys' fees; plus (b) expenses or  
9 charges in connection with prosecuting the Litigation; plus (c) any interest on such  
10 attorneys' fees and expenses at the same rate and for the same periods as earned by the  
11 Settlement Fund (until paid) as may be awarded by the Court. Lead Counsel reserve  
12 the right to make additional applications for fees and expenses incurred. In addition,  
13 Plaintiffs may also submit a request for reimbursement of their time and expenses  
14 representing the Class pursuant to 15 U.S.C. §78u-4(a)(4).

15 6.2 The fees and expenses, as awarded by the Court, shall be paid to Lead  
16 Counsel, as ordered, immediately after the Court executes the Judgment and an order  
17 awarding such fees and expenses. Lead Counsel may thereafter allocate the attorneys'  
18 fees among other plaintiffs' counsel, if any, in a manner in which they in good faith  
19 believe reflects the contributions of such counsel to the initiation, prosecution, and  
20 resolution of the Litigation.

21 6.3 In the event that the Effective Date does not occur, or the Judgment or the  
22 order making the Fee and Expense Award is reversed or modified, or the Stipulation is  
23 canceled or terminated for any other reason, and such reversal, modification,  
24 cancellation or termination becomes Final and not subject to review, and in the event  
25 that the Fee and Expense Award has been paid to any extent, then (a) Lead Counsel  
26 with respect to the entire Fee and Expense Award, and (b) such of plaintiffs' counsel  
27 who have received any portion of the Fee and Expense Award shall within five (5)  
28 business days from receiving notice from Defendants' Counsel or from a court of

1 appropriate jurisdiction, refund to the Settlement Fund such fees and expenses  
2 previously paid to them from the Settlement Fund plus the interest earned thereon in  
3 an amount consistent with such reversal or modification. Each such plaintiffs'  
4 counsel's law firm receiving fees and expenses, as a condition of receiving such fees  
5 and expenses, on behalf of itself and each partner and/or shareholder of it, agrees that  
6 the law firm and its partners and/or shareholders are subject to the jurisdiction of the  
7 Court for the purpose of enforcing the provisions of this paragraph.

8         6.4 The procedure for and the allowance or disallowance by the Court of any  
9 applications by any plaintiffs' counsel for attorneys' fees and expenses, or the  
10 expenses of the Plaintiffs, to be paid out of the Settlement Fund, are not part of the  
11 settlement set forth in the Stipulation, and are to be considered by the Court separately  
12 from the Court's consideration of the fairness, reasonableness, and adequacy of the  
13 settlement set forth in the Stipulation, and any order or proceeding relating to the Fee  
14 and Expense Application, or Plaintiffs' expense application, or any appeal from any  
15 order relating thereto or reversal or modification thereof, shall not operate to terminate  
16 or cancel the Stipulation, or affect or delay the finality of the Judgment approving the  
17 Stipulation and the settlement of the Litigation set forth herein.

18         6.5 Any fees and/or expenses awarded by the Court shall be paid solely from  
19 the Settlement Fund. Defendants and their Related Parties shall have no responsibility  
20 for any payment of attorneys' fees and/or expenses to Lead Counsel, plaintiffs'  
21 counsel, or any other Plaintiffs.

22         6.6 Defendants and their Related Parties shall have no responsibility for the  
23 allocation among plaintiffs' counsel, and/or any other Person who may assert some  
24 claim thereto, of any Fee and Expense Award that the Court may make in the  
25 Litigation.



1           **7. Conditions of Settlement, Effect of Disapproval,**  
2           **Cancellation or Termination**

3           7.1 The Effective Date of the Stipulation shall be conditioned on the  
4 occurrence of all of the following events:

5                   (a) the Settlement Amount has been deposited into the Escrow  
6 Account;

7                   (b) the Court has entered the Preliminary Approval Order, as required  
8 by ¶3.1 hereof;

9                   (c) the Court has entered the Judgment, or a judgment substantially in  
10 the form of Exhibit B attached hereto;

11                   (d) Defendants have not exercised their option to terminate the  
12 Stipulation pursuant to ¶7.3 hereof; and

13                   (e) the Judgment has become Final, as defined in ¶1.10 hereof.

14           7.2 Upon the Effective Date, any and all remaining interest or right of the  
15 Defendants or the Defendants' insurers in or to the Settlement Fund, if any, shall be  
16 absolutely and forever extinguished. If the conditions specified in ¶7.1 hereof are not  
17 met, then the Stipulation shall be canceled and terminated subject to ¶7.4 hereof  
18 unless Lead Counsel and counsel for the Defendants mutually agree in writing to  
19 proceed with the Stipulation.

20           7.3 If prior to the Settlement Hearing, the aggregate number of shares of  
21 Questcor common stock purchased or acquired during the Class Period by Persons  
22 who would otherwise be Members of the Class, but who request exclusion from the  
23 Class, exceeds the sum specified in a separate supplemental agreement between  
24 Plaintiffs and Defendants (the "Supplemental Agreement"), Questcor shall have, in its  
25 sole and absolute discretion, the option to withdraw from or terminate this Stipulation  
26 in accordance with the procedures set forth in the Supplemental Agreement. The  
27 Supplemental Agreement will not be filed with the Court. If required by the Court,  
28 the Supplemental Agreement and/or any of its terms may be disclosed *in camera* to

1 the Court for purposes of approval of the settlement, but such disclosure shall be  
2 carried out to the fullest extent possible in accordance with the practices of the Court  
3 so as to preserve the confidentiality of the Supplemental Agreement, particularly the  
4 threshold aggregate number of shares.

5       7.4 Unless otherwise ordered by the Court, in the event the Stipulation shall  
6 terminate, or be canceled, or shall not become effective for any reason, within five (5)  
7 business days after written notification of such event is sent by counsel for the  
8 Defendants or Lead Counsel to the Escrow Agent, the Settlement Fund (including  
9 accrued interest), less expenses which have either been disbursed pursuant to ¶¶2.6  
10 and 2.8 hereof, or are chargeable to the Settlement Fund pursuant to ¶¶2.6 and 2.8  
11 hereof, shall be refunded by the Escrow Agent pursuant to written instructions from  
12 Defendants' Counsel. The Escrow Agent or its designee shall apply for any tax  
13 refund owed on the Settlement Amount and pay the proceeds, after deduction of any  
14 fees or expenses incurred in connection with such application(s) for refund, pursuant  
15 to written instructions from Defendants' Counsel.

16       7.5 In the event that the Stipulation is not approved by the Court or the  
17 settlement set forth in the Stipulation is terminated or fails to become effective in  
18 accordance with its terms, the Settling Parties shall be restored to their respective  
19 positions in the Litigation as of March 5, 2015, including consideration by the Court  
20 of the Magistrate Judge's February 24, 2015 Report and Recommendation regarding  
21 Questcor's Motion for Evidentiary Sanctions. In such event, the terms and provisions  
22 of the Stipulation, with the exception of ¶¶1.1-1.28, 2.6-2.9, 6.3, 7.4-7.6, and 8.5  
23 hereof, shall have no further force and effect with respect to the Settling Parties and  
24 shall not be used in this Litigation or in any other proceeding for any purpose, and any  
25 judgment or order entered by the Court in accordance with the terms of the Stipulation  
26 shall be treated as vacated, *nunc pro tunc*. No order of the Court or modification or  
27 reversal on appeal of any order of the Court concerning the Plan of Allocation or the  
28 amount of any attorneys' fees, costs, expenses, and interest awarded by the Court to

1 any of plaintiffs' counsel or expenses to Plaintiffs shall operate to terminate or cancel  
2 this Stipulation or constitute grounds for cancellation or termination of the Stipulation.

3 7.6 If the Effective Date does not occur, or if the Stipulation is terminated  
4 pursuant to its terms, neither Plaintiffs nor any of their counsel shall have any  
5 obligation to repay any amounts disbursed pursuant to ¶¶2.6 or 2.8. In addition, any  
6 expenses already incurred pursuant to ¶¶2.6 or 2.8 hereof at the time of such  
7 termination or cancellation but which have not been paid, shall be paid by the Escrow  
8 Agent in accordance with the terms of the Stipulation prior to the balance being  
9 refunded in accordance with ¶¶2.9 and 7.4 hereof.

## 10 **8. Miscellaneous Provisions**

11 8.1 The Settling Parties (a) acknowledge that it is their intent to consummate  
12 this agreement; and (b) agree to cooperate to the extent reasonably necessary to  
13 effectuate and implement all terms and conditions of the Stipulation and to exercise  
14 their best efforts to accomplish the foregoing terms and conditions of the Stipulation.

15 8.2 The Settling Parties intend this settlement to be a final and complete  
16 resolution of all disputes between them with respect to the Litigation. The settlement  
17 compromises claims which are contested and shall not be deemed an admission by  
18 any Settling Party as to the merits of any claim or defense. Pursuant to 15 U.S.C.  
19 §78u-4(c)(1), the Final Judgment will contain a finding that, during the course of the  
20 Litigation, the parties and their respective counsel at all times complied with the  
21 requirements of Federal Rule of Civil Procedure 11. The Settling Parties agree that  
22 the Settlement Amount and the other terms of the settlement were negotiated in good  
23 faith by the Settling Parties, and reflect a settlement that was reached voluntarily after  
24 consultation with competent legal counsel. The Settling Parties reserve their right to  
25 rebut, in a manner that such party determines to be appropriate, any contention made  
26 in any public forum regarding the Litigation, including that the Litigation was brought  
27 or defended in bad faith or without a reasonable basis.

1           8.3 Except as set forth in ¶8.4 below, this Stipulation, whether or not  
2 consummated, and any discussions, negotiations, proceedings, or agreements relating  
3 to the Stipulation, the Settlement, and any matters arising in connection with  
4 settlement discussions or negotiations, proceedings, or agreements, shall not be  
5 offered or received against or to the prejudice of the Settling Parties for any purpose,  
6 and in particular:

7           (a) do not constitute, and shall not be offered or received against or to  
8 the prejudice of Defendants as evidence of, or construed as, or deemed to be evidence  
9 of any presumption, concession or admission by Defendants with respect to the truth  
10 of any allegation by Lead Plaintiffs and the Class or the validity of any claim that has  
11 been or could have been asserted in the Action or in any litigation, including, but not  
12 limited to, the Released Claims, or of any liability, damages, negligence, fault or  
13 wrongdoing of Defendants;

14           (b) do not constitute, and shall not be offered or received against or to  
15 the prejudice of Defendants as evidence of a presumption, concession, or admission of  
16 any fault, misrepresentations, or omission with respect to any statement or written  
17 document approved or made by Defendants, or against or to the prejudice of Class  
18 Representatives or any other Members of the Class as evidence of any infirmity in the  
19 claims of Lead Plaintiffs or the other Members of the Class;

20           (c) do not constitute, and shall not be offered or received against or to  
21 the prejudice of Defendants or against Lead Plaintiffs or any other Members of the  
22 Class, as evidence of a presumption, concession or admission with respect to any  
23 liability, damages, negligence, fault, infirmity, or wrongdoing, or in any way referred  
24 to for any other reason against or to the prejudice of any of the Parties to this  
25 Stipulation, in any other civil, criminal, or administrative action or proceeding, other  
26 than such proceedings as may be necessary to effectuate the provisions of this  
27 Stipulation;

28

1 (d) do not constitute, and shall not be construed as, or offered or  
2 received against or to the prejudice of Defendants, Lead Plaintiffs, or any other  
3 Members of the Class, as evidence of a presumption, concession, or admission that the  
4 consideration to be given hereunder represents the amount which could be or would  
5 have been recovered after trial;

6 (e) do not constitute, and shall not be construed as, or offered or  
7 received against or to the prejudice of Defendants, Lead Plaintiffs, or any other  
8 Members of the Class, as evidence of a presumption, concession, or admission that  
9 any of their claims are without merit or infirm or that damages recoverable under the  
10 Complaint would not have exceeded the Settlement Amount.

11 8.4 Defendants may file this Stipulation and/or the Judgment or Alternative  
12 Judgment in any action that may be brought against them in order to support a defense  
13 or counterclaim based on principles of res judicata, collateral estoppel, release, good-  
14 faith settlement, judgment bar or reduction, or any theory of claim preclusion or issue  
15 preclusion or similar defense or counterclaim, or to effectuate the liability protection  
16 granted them under any applicable insurance policies. The Settling Parties may file  
17 this Stipulation and/or the Judgment in any action that may be brought to enforce the  
18 terms of this Stipulation and/or the Judgment. All Settling Parties submit to the  
19 jurisdiction of the Court for purposes of implementing and enforcing the Settlement.

20 8.5 All agreements made and orders entered during the course of the  
21 Litigation relating to the confidentiality of information shall survive this Stipulation.

22 8.6 All of the Exhibits to the Stipulation are material and integral parts hereof  
23 and are fully incorporated herein by this reference.

24 8.7 The Stipulation may be amended or modified only by a written  
25 instrument signed by or on behalf of all Settling Parties or their respective successors-  
26 in-interest.

27 8.8 The Stipulation and the Exhibits attached hereto and the Supplemental  
28 Agreement constitute the entire agreement among the parties hereto and no

1 representations, warranties or inducements have been made to any party concerning  
2 the Stipulation or its Exhibits other than the representations, warranties, and covenants  
3 contained and memorialized in such documents. Except as otherwise provided herein,  
4 each party shall bear its own costs.

5       8.9 Lead Counsel, on behalf of the Class, are expressly authorized by the  
6 Plaintiffs to take all appropriate action required or permitted to be taken by the Class  
7 pursuant to the Stipulation to effectuate its terms and also are expressly authorized to  
8 enter into any modifications or amendments to the Stipulation on behalf of the Class  
9 which they deem appropriate.

10       8.10 Each counsel or other Person executing the Stipulation or any of its  
11 Exhibits on behalf of any party hereto hereby warrants that such Person has the full  
12 authority to do so.

13       8.11 The Stipulation may be executed in one or more counterparts. All  
14 executed counterparts and each of them shall be deemed to be one and the same  
15 instrument. A complete set of executed counterparts shall be filed with the Court.  
16 Signatures sent by facsimile or pdf'd via e-mail shall be deemed originals.

17       8.12 The Stipulation shall be binding upon, and inure to the benefit of, the  
18 successors and assigns of the parties hereto.

19       8.13 The Court shall retain jurisdiction with respect to implementation and  
20 enforcement of the terms of the Stipulation, and all Settling Parties submit to the  
21 jurisdiction of the Court for purposes of implementing and enforcing the settlement  
22 embodied in the Stipulation and matters related to the settlement.

23       8.14 Pending approval of the Court of the Stipulation and its Exhibits, all  
24 proceedings in this Litigation shall be stayed and all Members of the Class shall be  
25 barred and enjoined from prosecuting any of the Released Claims against any of the  
26 Released Persons.

27       8.15 This Stipulation and the Exhibits hereto shall be considered to have been  
28 negotiated, executed and delivered, and to be wholly performed, in the State of



1 California, and the rights and obligations of the parties to the Stipulation shall be  
2 construed and enforced in accordance with, and governed by, the internal, substantive  
3 laws of the State of California without giving effect to that State's choice-of-law  
4 principles.

5 IN WITNESS WHEREOF, the parties hereto have caused the Stipulation to be  
6 executed, by their duly authorized attorneys, dated as of April 8, 2015.

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INDEX OF EXHIBITS TO STIPULATION OF SETTLEMENT

DOCUMENT	EXHIBIT
[Proposed] Order Preliminarily Approving Settlement and Providing for Notice	A
Notice of Proposed Settlement of Class Action	A-1
Proof of Claim and Release	A-2
Summary Notice	A-3
[Proposed] Final Judgment and Order of Dismissal with Prejudice	B

# **EXHIBIT A**

1 ROBBINS GELLER RUDMAN  
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14 Additional Plaintiffs' Counsel

16 UNITED STATES DISTRICT COURT  
17 CENTRAL DISTRICT OF CALIFORNIA  
18 SOUTHERN DIVISION

19 In re QUESTCOR  
20 PHARMACEUTICALS, INC.  
21 SECURITIES LITIGATION

) No. 8:12-cv-01623-DMG(JPRx)

) CLASS ACTION

22 This Document Relates To:

23 ALL ACTIONS.

) [PROPOSED] ORDER  
) PRELIMINARILY APPROVING  
) SETTLEMENT AND PROVIDING  
) FOR NOTICE

24 EXHIBIT A



1 WHEREAS, a consolidated action is pending before this Court entitled *In re*  
2 *Questcor Pharmaceuticals, Inc. Securities Litigation*, No. 8:12-cv-01623-DMG  
3 (JPRx) (the "Litigation");

4 WHEREAS, the parties having made application, pursuant to Federal Rule of  
5 Civil Procedure 23(e), for an order preliminarily approving the settlement of this  
6 Litigation, in accordance with a Stipulation of Settlement dated as of April 8, 2015  
7 (the "Stipulation"), which, together with the Exhibits annexed thereto, sets forth the  
8 terms and conditions for a proposed settlement of the Litigation and for dismissal of  
9 the Litigation with prejudice upon the terms and conditions set forth therein; and the  
10 Court having read and considered the Stipulation and the Exhibits annexed thereto;  
11 and

12 WHEREAS, unless otherwise defined, all terms used herein have the same  
13 meanings as set forth in the Stipulation.

14 NOW, THEREFORE, IT IS HEREBY ORDERED:

15 1. The Court has reviewed the Stipulation and does hereby preliminarily  
16 approve the settlement set forth therein, subject to further consideration at the  
17 Settlement Hearing described below.

18 2. A hearing (the "Settlement Hearing") shall be held before this Court on  
19 \_\_\_\_\_, 2015, at \_\_:\_\_.m., at the United States District Court for the Central  
20 District of California, Southern Division, United States Courthouse, 312 North Spring  
21 Street, Courtroom 7, Los Angeles, CA 90012, to determine whether the settlement of  
22 the Litigation on the terms and conditions provided for in the Stipulation is fair,  
23 reasonable, and adequate to the Class and should be approved by the Court; whether a  
24 Judgment as provided in ¶1.12 of the Stipulation should be entered; whether the Plan  
25 of Allocation is fair, reasonable, and adequate and should be approved; to determine  
26 the amount of fees and expenses that should be awarded to Lead Counsel; and to  
27

1 determine the amount of expenses to be awarded to Plaintiffs. The Court may adjourn  
2 the Settlement Hearing without further notice to the Members of the Class.

3 3. The Court approves, as to form and content, the Notice of Proposed  
4 Settlement of Class Action (the "Notice"), the Proof of Claim and Release form (the  
5 "Proof of Claim"), and Summary Notice annexed hereto as Exhibits A-1, A-2, and A-  
6 3, respectively, and finds that the mailing and distribution of the Notice and  
7 publishing of the Summary Notice substantially in the manner and form set forth in  
8 ¶¶4-6 of this Order meet the requirements of Federal Rule of Civil Procedure 23 and  
9 due process, and is the best notice practicable under the circumstances and shall  
10 constitute due and sufficient notice to all Persons entitled thereto.

11 4. The firm of Gilardi & Co. LLC ("Claims Administrator") is hereby  
12 appointed to supervise and administer the notice procedure as well as the processing  
13 of claims as more fully set forth below.

14 5. Not later than \_\_\_\_\_, 2015 (the "Notice Date"), the Claims  
15 Administrator shall commence mailing the Notice and Proof of Claim, substantially in  
16 the forms annexed hereto, by First-Class Mail to all Class Members who can be  
17 identified with reasonable effort, and to be posted on its website at  
18 [www.questcorsecuritieslitigation.com](http://www.questcorsecuritieslitigation.com).

19 6. Not later than fourteen (14) calendar days after the Notice Date, the  
20 Claims Administrator shall cause the Summary Notice to be published once in the  
21 national edition of *Investor's Business Daily* and once over *Business Wire*.

22 7. At least fourteen (14) calendar days prior to the Settlement Hearing, Lead  
23 Counsel shall serve on Defendants' counsel and file with the Court proof, by affidavit  
24 or declaration, of such mailing and publishing.

25 8. Nominees who purchased Questcor common stock for the beneficial  
26 ownership of Class Members during the Class Period shall send the Notice and the  
27 Proof of Claim to all such beneficial owners of Questcor common stock within ten  
28



1 (10) days after receipt thereof, or send a list of the names and addresses of such  
2 beneficial owners to the Claims Administrator within ten (10) days of receipt thereof,  
3 in which event the Claims Administrator shall promptly mail the Notice and Proof of  
4 Claim to such beneficial owners. Lead Counsel shall, if requested, reimburse banks,  
5 brokerage houses or other nominees solely for their reasonable out-of-pocket expenses  
6 incurred in providing notice to beneficial owners who are Class Members out of the  
7 Settlement Fund, which expenses would not have been incurred except for the sending  
8 of such notice, subject to further order of this Court with respect to any dispute  
9 concerning such compensation.

10 9. All Members of the Class shall be bound by all determinations and  
11 judgments in the Litigation concerning the settlement, whether favorable or  
12 unfavorable to the Class.

13 10. Class Members who wish to participate in the settlement shall complete  
14 and submit Proofs of Claim in accordance with the instructions contained therein.  
15 Unless the Court orders otherwise, all Proofs of Claim must be postmarked or  
16 submitted electronically no later than ninety (90) days from the Notice Date. Any  
17 Class Member who does not timely submit a Proof of Claim within the time provided  
18 for, shall be barred from sharing in the distribution of the proceeds of the Settlement  
19 Fund, unless otherwise ordered by the Court. Notwithstanding the foregoing, Lead  
20 Counsel may, in their discretion, accept late-submitted claims for processing by the  
21 Claims Administrator so long as distribution of the Net Settlement Fund to Authorized  
22 Claimants is not materially delayed thereby.

23 11. Any Member of the Class may enter an appearance in the Litigation, at  
24 their own expense, individually or through counsel of their own choice. If they do not  
25 enter an appearance, they will be represented by Lead Counsel.

26 12. Any Person falling within the definition of the Class may, upon request,  
27 be excluded or "opt out" from the Class. Any such Person must submit to the Claims  
28

1 Administrator a request for exclusion ("Request for Exclusion"), by First-Class Mail,  
2 or hand-delivered such that it is postmarked no later than twenty-eight (28) days prior  
3 to the Settlement Hearing. A Request for Exclusion must be signed and state (a) the  
4 name, address, and telephone number of the Person requesting exclusion; (b) the date,  
5 price and number of shares of all of the Person's purchases, acquisitions and sales of  
6 Questcor common stock during the Class Period; and (c) that the Person wishes to be  
7 excluded from the Class. All Persons who submit valid and timely Requests for  
8 Exclusion in the manner set forth in this paragraph shall have no rights under the  
9 Stipulation, shall not share in the distribution of the Net Settlement Fund, and shall not  
10 be bound by the Stipulation or any final judgment.

11 13. The Claims Administrator or Lead Counsel shall cause to be provided to  
12 Defendants' counsel copies of all Requests for Exclusion, as expeditiously as possible  
13 and in any event not less than twenty-one (21) calendar days prior to the Settlement  
14 Hearing.

15 14. Any Member of the Class may appear and show cause why the settlement  
16 of the Litigation should or should not be approved as fair, reasonable, and adequate,  
17 why a judgment should or should not be entered thereon, why the Plan of Allocation  
18 should or should not be approved, why attorneys' fees and expenses should or should  
19 not be awarded to Lead Counsel, or why the expenses of Plaintiffs should or should  
20 not be awarded; provided, however, that no Class Member or any other Person shall  
21 be heard or entitled to contest such matters, unless that Person has delivered by hand  
22 or sent by First-Class Mail written objections and copies of any papers and briefs such  
23 that they are received on or before twenty-eight (28) days prior to the Settlement  
24 Hearing, by Robbins Geller Rudman & Dowd LLP, Jeffrey D. Light, 655  
25 West Broadway, Suite 1900, San Diego, CA 92101; Skadden, Arps, Slate, Meagher &  
26 Flom LLP, Peter B. Morrison, 300 South Grand Avenue, Los Angeles, CA 90071; and  
27 Latham & Watkins LLP, Peter A. Wald, 650 Town Center Drive, 20th Floor, Costa

28



1 Mesa, CA 92626, and filed said objections, papers, and briefs with the Clerk of the  
2 United States District Court for the Central District of California, United States  
3 Courthouse, 312 North Spring Street, Room G-8, Los Angeles, CA 90012, on or  
4 before \_\_\_\_\_, 2015. Any Member of the Class who does not make his, her or its  
5 objection in the manner provided shall be deemed to have waived such objection and  
6 shall forever be foreclosed from making any objection to the fairness or adequacy of  
7 the settlement as set forth in the Stipulation, to the Plan of Allocation, or to the award  
8 of attorneys' fees and expenses to Lead Counsel or expenses of Plaintiffs unless  
9 otherwise ordered by the Court.

10 15. All funds held by the Escrow Agent shall be deemed and considered to be  
11 in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court,  
12 until such time as such funds shall be distributed pursuant to the Stipulation and/or  
13 further order(s) of the Court.

14 16. All opening briefs and supporting documents in support of the settlement,  
15 the Plan of Allocation, and any application by counsel for the Plaintiffs for attorneys'  
16 fees and expenses or by Plaintiffs for their expenses shall be filed and served at least  
17 fourteen (14) calendar days prior to the deadline for objections in ¶14. Replies to any  
18 objections shall be filed and served at least seven (7) calendar days prior to the  
19 Settlement Hearing.

20 17. Neither the Defendants and their Related Parties nor the Defendants'  
21 counsel shall have any responsibility for the Plan of Allocation or any application for  
22 attorneys' fees or expenses submitted by Plaintiffs' counsel or Plaintiffs, and such  
23 matters will be considered separately from the fairness, reasonableness, and adequacy  
24 of the settlement.

25 18. At or after the Settlement Hearing, the Court shall determine whether the  
26 Plan of Allocation proposed by Lead Counsel, and any application for attorneys' fees  
27 or payment of expenses shall be approved.

1           19. All reasonable expenses incurred in identifying and notifying Class  
2 Members, as well as administering the Settlement Fund, shall be paid as set forth in  
3 the Stipulation. In the event the settlement is not approved by the Court, or otherwise  
4 fails to become effective, neither Plaintiffs nor any of their counsel shall have any  
5 obligation to repay any amounts incurred and properly disbursed pursuant to ¶¶2.6 or  
6 2.8 of the Stipulation.

7           20. Neither the Stipulation, nor any of its terms or provisions, nor any of the  
8 negotiations or proceedings connected with it, shall be construed as an admission or  
9 concession by the Defendants of the truth of any of the allegations in the Litigation, or  
10 of any liability, fault, or wrongdoing of any kind.

11           21. The Court reserves the right to adjourn the date of the Settlement Hearing  
12 without further notice to the Members of the Class, and retains jurisdiction to consider  
13 all further applications arising out of or connected with the settlement. The Court may  
14 approve the settlement, with such modifications as may be agreed to by the Settling  
15 Parties, if appropriate, without further notice to the Class.

16           22. If the Stipulation and the settlement set forth therein is not approved or  
17 consummated for any reason whatsoever, the Stipulation and settlement and all  
18 proceedings had in connection therewith shall be without prejudice to the rights of the  
19 Settling Parties *status quo ante*.



1        23. Pending final determination of whether the proposed settlement should be  
2 approved, neither the Plaintiffs, nor any Class Member, directly or indirectly,  
3 representatively, or in any other capacity, shall commence or prosecute against any of  
4 the Released Parties, any action or proceeding in any court or tribunal asserting any of  
5 the Released Claims.

6        IT IS SO ORDERED.

7  
8 DATED: \_\_\_\_\_

\_\_\_\_\_  
THE HONORABLE DOLLY M. GEE  
UNITED STATES DISTRICT JUDGE

# **EXHIBIT A-1**

1 ROBBINS GELLER RUDMAN  
& DOWD LLP  
2 ANDREW J. BROWN (160562)  
THOMAS E. EGLER (189871)  
3 ROBERT K. LU (198607)  
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8 Lead Counsel for Plaintiffs

9  
10 BARRETT JOHNSTON MARTIN  
& GARRISON, LLC  
GERALD E. MARTIN  
11 TIMOTHY L. MILES  
Bank of America Plaza  
12 414 Union Street, Suite 900  
Nashville, TN 37219  
13 Telephone: 615/244-2202  
615/252-3798 (fax)

14 Additional Plaintiffs' Counsel  
15

16 UNITED STATES DISTRICT COURT  
17 CENTRAL DISTRICT OF CALIFORNIA  
18 SOUTHERN DIVISION

19 In re QUESTCOR  
20 PHARMACEUTICALS, INC.  
SECURITIES LITIGATION

No. 8:12-cv-01623-DMG(JPRx)

CLASS ACTION

21  
22 This Document Relates To:

NOTICE OF PROPOSED  
SETTLEMENT OF CLASS ACTION

23 ALL ACTIONS.  
24  
25  
26  
27  
28

EXHIBIT A-1

1        *If you purchased or otherwise acquired the common stock of Questcor*  
2 *Pharmaceuticals, Inc. ("Questcor" or the "Company")<sup>1</sup> during the period from*  
3 *April 4, 2011 through September 21, 2012, inclusive (the "Class Period"), and are*  
4 *not otherwise excluded from the Class (see Question 6 below), you could get a*  
5 *payment from a class action settlement.*

6        A federal court authorized this Notice. This is not a solicitation from a lawyer.  
7 Your legal rights may be affected whether you act or do not act. Read this Notice  
8 carefully.

9        **Security and Time Period:** Purchases or acquisitions of Questcor common  
10 stock purchased between April 4, 2011 and September 21, 2012, inclusive.

11        **Settlement Fund:** \$38,000,000 in cash plus any interest earned. Your  
12 recovery will depend on the timing of your purchases, acquisitions and/or sales of  
13 Questcor common stock during the Class Period. Based on the information currently  
14 available to Plaintiffs and the analysis performed by their damages consultant, it is  
15 estimated that if Class Members submit claims for 100% of the shares eligible for  
16 distribution under the Plan of Allocation (described below), the estimated average  
17 distribution per share of common stock will be approximately \$0.87 before deduction  
18 of Court-approved fees and expenses, including the cost of notifying Members of the  
19 Class and settlement administration and any attorneys' fees and expenses awarded by  
20 the Court to Lead Counsel and any award to Plaintiffs for their representation of the  
21 Class. Historically, actual claims rates are less than 100%, which result in higher  
22 distributions per share. A Class Member's actual recovery will be a proportion of the  
23 Net Settlement Fund determined by that claimant's recognized claim as compared to  
24 the total recognized claims of all Class Members who submit valid Proof of Claim and  
25 Release forms ("Proof of Claim").

26        <sup>1</sup> This Notice incorporates by reference the definitions in the Stipulation of  
27 Settlement dated as of April 8, 2015 ("Stipulation"), and all capitalized terms used,  
28 but not defined herein, shall have the same meanings as in the Stipulation. The  
Stipulation can be obtained at [www.questcorsecuritieslitigation.com](http://www.questcorsecuritieslitigation.com).



1       **Reasons for Settlement:** Avoids the costs and risks associated with continued  
2 litigation, including the danger of no recovery.

3       Plaintiffs believe that the claims asserted in the Litigation have merit and that  
4 the facts developed to date support the claims asserted. Plaintiffs and their counsel  
5 believe that the Settlement provides the Class with a substantial benefit now in lieu of  
6 engaging in further litigation, with the risk of no recovery.

7       Defendants have denied and continue to deny, *inter alia*, that Plaintiffs and the  
8 Class have suffered damages, that Defendants or any of them made or caused to be  
9 made any alleged material misrepresentation or omission, and that any Defendant  
10 acted with scienter in making or causing any alleged misrepresentation or omission.  
11 Nonetheless, Defendants have concluded that further conduct of the Litigation could  
12 be protracted and expensive, and that it is desirable that the Litigation be fully and  
13 finally settled in the manner and upon the terms and conditions set forth in the parties'  
14 Stipulation. Defendants also have taken into account the uncertainty and risks  
15 inherent in any litigation, especially in complex cases like this Litigation.

16       **If the Case Had Not Settled:** Continuing with the case could have resulted in  
17 Plaintiffs' claims being dismissed, at summary judgment, trial, or on appeal. The two  
18 sides vigorously disagree on both liability and the amount of money that could have  
19 been won if Plaintiffs prevailed at trial. The parties disagree, among other issues,  
20 about: (1) whether any Defendant made a false statement; (2) whether any Defendant  
21 knew any alleged false statement was false when made; (3) the method for  
22 determining whether the price of Questcor common stock was artificially inflated  
23 during the relevant period; (4) whether there was any such inflation and the amount of  
24 any such alleged inflation; (5) whether there was any wrongdoing on the part of any  
25 Defendant; (6) the extent that various facts alleged by Plaintiffs influenced the trading  
26 price of Questcor common stock during the Class Period; and (7) whether any  
27 allegedly false or misleading statement or omission was material under the federal  
28 securities laws.

**Attorneys' Fees and Expenses:** Court-appointed Lead Counsel will ask the Court for attorneys' fees not to exceed 27.5% of the Settlement Fund and expenses not to exceed \$675,000 to be paid from the Settlement Fund plus interest. Plaintiffs may also apply for their time and expenses in representing the Class in an amount not to exceed \$10,000 in the aggregate. Lead Counsel have not received any payment for their work investigating the facts, prosecuting this Litigation, and negotiating this settlement on behalf of the Plaintiffs and the Class. If the above amounts are requested and approved by the Court, the average cost per share of common stock will be approximately \$0.26.

**More Information:** [www.questcorsecuritieslitigation.com](http://www.questcorsecuritieslitigation.com) or

Claims Administrator:

Representative of Lead Counsel:

*Questcor Securities Litigation*  
Claims Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 8040  
San Rafael, CA 94912-8040  
1-888-564-2634

Rick Nelson  
Shareholder Relations  
Robbins Geller Rudman & Dowd LLP  
655 West Broadway, Suite 1900  
San Diego, CA 92101  
1-800-449-4900

- Your legal rights are affected whether you act or do not act. Read this Notice carefully.

## **YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT**

**SUBMIT A CLAIM FORM** The only way to get a payment. Proofs of Claim must be mailed or submitted online on or before \_\_\_\_\_, 2015.

**EXCLUDE YOURSELF** Get no payment. Unless you exclude yourself from the Class, you will be unable to pursue any claims against the Defendants or any other Released Person related to the wrongdoing alleged in this lawsuit. Exclusions must be postmarked twenty-eight (28) days prior to the Settlement Hearing.



**OBJECT**

You may write to the Court if you have any objection to the settlement, the request for attorneys' fees and expenses, the requested award to Plaintiffs for their time and expenses in representing the Class, or the Plan of Allocation. Objections must be filed with the Court and received by counsel twenty-eight (28) days prior to the Settlement Hearing.

**GO TO THE  
SETTLEMENT  
HEARING**

You may ask to speak in Court about the fairness of the settlement. Requests to speak must be filed with the Court and received by counsel on or before \_\_\_\_\_, 2015. The Court hearing on the settlement, Plan of Allocation, and Lead Counsel's request for an award of attorneys' fees and expenses is scheduled for \_\_\_\_\_, 2015, at \_\_\_\_.<sup>2</sup>

**DO NOTHING**

Get no payment. Give up your rights.

- These rights and options — *and the deadlines to exercise them* — are explained in this Notice.
- The Court in charge of this case must decide whether to approve the settlement. Payments will be made if the Court approves the settlement and, if there are any appeals, after appeals are resolved. Please be patient.

<sup>2</sup> The date and/or time of the Court hearing on the fairness of the settlement may change without further notice to the Class. If you plan on attending the Court hearing, please check the website, [www.questcorsecuritieslitigation.com](http://www.questcorsecuritieslitigation.com) or call Rick Nelson, Shareholder Relations representative of Lead Counsel at 1-800-449-4900 to confirm that the date and/or time has not changed.



**BASIC INFORMATION**

**1. Why did I get this notice package?**

You or someone in your family may have purchased or otherwise acquired Questcor common stock between April 4, 2011 and September 21, 2012, inclusive.

The Court directed that you be sent this Notice because you have a right to know about a settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the settlement. If the Court approves it and after any objections or appeals (if there are any) are resolved, the Claims Administrator appointed by the Court will make the payments that the settlement allows.

This package explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Central District of California, Southern Division (the "Court"), and the case is known as *In re Questcor Pharmaceuticals, Inc. Securities Litigation*, No. 8:12-cv-01623-DMG(JPRx). The entities and person that led the Litigation, West Virginia Investment Management Board, Plumbers & Pipefitters National Pension Fund and Steven Glucksberg are called Plaintiffs and Questcor and the individuals they sued are called Defendants.<sup>3</sup>

**2. What is this lawsuit about?**

On March 5, 2013, Plaintiffs filed the Consolidated Class Action Complaint for Violation of the Federal Securities Laws ("Complaint") against defendants Questcor, Bailey, Mulroy, Cartt, Young, David J. Medeiros and Mitchell J. Blutt. Plaintiffs alleged, among other things, that throughout the Class Period, Defendants issued false and misleading statements about the effectiveness of, and prospects for, Questcor's sole product, Acthar, while simultaneously using Questcor's cash to prop up the price

<sup>3</sup> The Individual Defendants in this Litigation are Don M. Bailey ("Bailey"), Michael H. Mulroy ("Mulroy"), Stephen L. Cartt ("Cartt"), and David Young ("Young").

1 of Questcor shares through the purchase of hundreds of millions of dollars of Questcor  
2 stock in the open market. As a result, Questcor's stock traded at artificially inflated  
3 prices. On May 6, 2013, all Defendants moved to dismiss the Complaint. Defendants  
4 asserted, among other things, that Plaintiffs failed to plead the elements of falsity,  
5 scienter, and loss causation under the pleading standards set forth in the Federal Rules  
6 of Civil Procedure and the Private Securities Litigation Reform Act of 1995  
7 ("PSLRA"). After full briefing by all parties, the Court held a hearing on September  
8 13, 2013, and issued its order granting in part and denying in part the motions to  
9 dismiss (the "Order"). In the Order, the Court dismissed individual defendants David  
10 J. Medeiros and Mitchell J. Blutt, as well as allegations related to misstatements by  
11 Questcor about its compliance with regulations and industry standards. The Court  
12 denied all other aspects of Defendants' motions to dismiss. Thereafter, Defendants  
13 filed answers denying all allegations in the Complaint and asserting defenses thereto.

14 Following the ruling on Defendants' motions to dismiss, the Settling Parties  
15 began formal discovery. The Settling Parties served written discovery on each other,  
16 and issued subpoenas to third parties. By the close of fact discovery in January 2015,  
17 Plaintiffs had collected over 1.6 million pages of documents from, and took 26  
18 depositions of, Defendants and various current and former Questcor employees,  
19 prescribing doctors and other third parties. Similarly, Defendants collected over  
20 200,000 pages of documents from Plaintiffs, their investment managers and other  
21 third parties and took six total depositions.

22 In the course of the Litigation, the Settling Parties engaged the services of the  
23 Honorable Layn R. Phillips (Ret.), a nationally recognized mediator. The Settling  
24 Parties engaged in an in-person mediation session with Judge Phillips, on September  
25 8, 2014. While the Settling Parties did not reach an agreement to settle the Litigation  
26 at the mediation, the Settling Parties continued settlement negotiations with the  
27 assistance of Judge Phillips. These efforts culminated with the Settling Parties  
28



1 agreeing to settle the Litigation for \$38,000,000, pursuant to a mediator's proposal by  
2 Judge Phillips which was separately accepted by the Settling Parties.

3 **3. Why is this a class action?**

4 In a class action, one or more people called class representatives (in this case,  
5 Plaintiffs West Virginia Investment Management Board, Plumbers & Pipefitters  
6 National Pension Fund and Steven Glucksberg), sue on behalf of people who have  
7 similar claims. All of these people and/or entities are called a class or class members.  
8 One judge – in this case, United States District Court Judge Dolly M. Gee – resolves  
9 the issues for all class members, except for those who exclude themselves from the  
10 class.

11 **4. Why is there a settlement?**

12 The Court did not decide in favor of the Plaintiffs or Defendants. Instead, the  
13 lawyers for both sides of the lawsuit have negotiated a settlement with the assistance  
14 of a highly respected mediator that they believe is in the best interests of their  
15 respective clients. The settlement allows both sides to avoid the risks and cost of  
16 lengthy and uncertain litigation and the uncertainty of a trial and appeals, and permits  
17 Class Members to be compensated without further delay. The Plaintiffs and their  
18 attorneys think the settlement is best for all Class Members. The Defendants have  
19 denied and continue to deny each and all of the claims alleged by Plaintiffs and the  
20 Class in the Litigation, but have concluded that further defense of the Litigation would  
21 be protracted and expensive, and that it is desirable that the Litigation be fully and  
22 finally settled in the manner and upon the terms and conditions set forth in the  
23 Stipulation. Defendants have also taken into account the uncertainty and risks  
24 inherent in any litigation, especially in complex cases such as this Litigation.

25 **WHO GETS MONEY FROM THE SETTLEMENT**

26 To see if you will get money from this settlement, you first have to determine if  
27 you are a Class Member.

1           **5. How do I know if I am part of the settlement?**

2           The Class includes *all persons who purchased or otherwise acquired Questcor*  
3 *common stock between April 4, 2011 and September 21, 2012, inclusive.*

4           **6. Are there exceptions to being included in the Class?**

5           Yes. Excluded from the Class are current and former defendants, members of  
6 the immediate family of any current or former defendants, directors, officers,  
7 subsidiaries and affiliates of Questcor, any person, firm, trust, corporation, officer,  
8 director or other individual or entity in which any current or former defendant has a  
9 controlling interest, and the legal representatives, affiliates, heirs, successors-in-  
10 interest or assigns of any such excluded party. Also excluded from the Class are those  
11 Persons who timely and validly request exclusion from the Class.

12           **7. I'm still not sure if I am included.**

13           If you still are not sure whether you are included, you can ask for free help.  
14 You can call 1-888-564-2634 or visit [www.questcorsecuritieslitigation.com](http://www.questcorsecuritieslitigation.com) for more  
15 information; or, you can call Rick Nelson at 1-800-449-4900 for more information.

16           **THE SETTLEMENT BENEFITS – WHAT YOU GET**

17           **8. What does the settlement provide?**

18           The Defendants have agreed to pay or cause to be paid \$38,000,000 in cash (the  
19 “Settlement Fund”). The Settlement Fund, plus interest earned from the date it is  
20 established, less costs, fees, and expenses (the “Net Settlement Fund”), will be divided  
21 among all eligible Class Members who send in valid Proofs of Claim (“Authorized  
22 Claimants”). Costs, fees, and expenses include Court-approved attorneys’ fees and  
23 expenses, and the time and expenses of Plaintiffs approved by the Court, the costs of  
24 notifying Class Members, including the costs of printing and mailing this Notice and  
25 the cost of publishing newspaper notice, the costs of claims administration, and taxes  
26 on the Settlement Fund.



1           **9. How much will my payment be?**

2           Your share of the Net Settlement Fund will depend on the number of valid  
3 Proofs of Claim that Class Members send in and how many shares of Questcor  
4 common stock you purchased or otherwise acquired during the relevant period and  
5 when you bought and sold them.

6           For purposes of determining the amount an Authorized Claimant may recover  
7 under the Plan of Allocation, Lead Counsel conferred with their damages consultant  
8 and the Plan of Allocation reflects a fair and reasonable method to allocate the  
9 settlement proceeds among Authorized Claimants.

10          In the unlikely event there are sufficient funds in the Net Settlement Fund, each  
11 Authorized Claimant will receive an amount equal to the Authorized Claimant's  
12 claim, as defined below. If, however, the amount in the Net Settlement Fund is not  
13 sufficient to permit payment of the total claim of each Authorized Claimant, then each  
14 Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each  
15 Authorized Claimant's claim bears to the total of the claims of all Authorized  
16 Claimants. Payment in this manner shall be deemed conclusive against all Authorized  
17 Claimants.

18          The calculation of claims below is not an estimate of the amount you will  
19 receive. It is a formula for allocating the Net Settlement Fund among all Authorized  
20 Claimants.<sup>4</sup>

21                   Class Period: April 4, 2011 – September 21, 2012

- 22          1. For shares of Questcor common stock ***purchased or otherwise acquired***  
23 ***on or between April 4, 2011 through September 18, 2012***, the claim per  
24 share shall be as follows:

- 25                   a) If sold on or between April 4, 2011 through September 21,  
26 2012, the claim per share shall be the lesser of (i) the purchase

27 <sup>4</sup> If any of the formulas set forth below yield an amount less than \$0.00, the claim  
28 per share is \$0.00.

price times the percent inflation in Table A less the sales price times the percent inflation in Table A; and (ii) the difference between the purchase price and the sales price.

b) If retained at the end of September 18, 2012 and sold before December 17, 2012, the claim per share shall be the lesser of (i) the inflation in Table A at the time of purchase; (ii) the difference between the purchase price and the sales price; and (iii) the difference between the purchase price and the average closing price up to the date of sale as set forth in Table B below.

c) If retained at the close of trading on December 17, 2012, or sold thereafter, the claim per share shall be the lesser of (i) the purchase price times the percent inflation in Table A; (ii) the difference between the purchase price and the sales price; and (iii) the difference between the purchase price and \$24.57 per share.

2. For shares of Questcor common stock ***purchased or otherwise acquired on or between September 19, 2012 through September 21, 2012***, the claim per share shall be zero.

TABLE A

Period		Inflation as Percent of Price
Begin	End	
4/5/2011	1/11/2012	65.2%
1/12/2012	7/10/2012	59.0%
7/11/2012	9/18/2012	48.0%
9/19/2012	9/21/2012	0%

TABLE B

Date	Closing Price	Average Closing Price
19-Sep-12	\$26.35	\$26.35
20-Sep-12	\$30.33	\$28.34
21-Sep-12	\$30.13	\$28.94
24-Sep-12	\$19.08	\$26.47
25-Sep-12	\$19.29	\$25.04
26-Sep-12	\$18.24	\$23.90
27-Sep-12	\$17.83	\$23.04
28-Sep-12	\$18.47	\$22.47
1-Oct-12	\$19.01	\$22.08
2-Oct-12	\$19.55	\$21.83
3-Oct-12	\$19.41	\$21.61
4-Oct-12	\$19.36	\$21.42
5-Oct-12	\$19.40	\$21.27
8-Oct-12	\$20.29	\$21.20
9-Oct-12	\$20.96	\$21.18
10-Oct-12	\$20.36	\$21.13
11-Oct-12	\$21.04	\$21.12
12-Oct-12	\$22.01	\$21.17
15-Oct-12	\$23.18	\$21.28
16-Oct-12	\$24.88	\$21.46
17-Oct-12	\$25.30	\$21.64
18-Oct-12	\$25.76	\$21.83
19-Oct-12	\$24.99	\$21.97
22-Oct-12	\$26.26	\$22.15
23-Oct-12	\$25.93	\$22.30
24-Oct-12	\$25.92	\$22.44
25-Oct-12	\$26.17	\$22.57
26-Oct-12	\$26.17	\$22.70
31-Oct-12	\$25.48	\$22.80
1-Nov-12	\$25.45	\$22.89
2-Nov-12	\$23.80	\$22.92
5-Nov-12	\$24.14	\$22.95
6-Nov-12	\$24.96	\$23.02
7-Nov-12	\$25.39	\$23.09
8-Nov-12	\$25.87	\$23.16
9-Nov-12	\$25.05	\$23.22



1	12-Nov-12	\$25.36	\$23.27
2	13-Nov-12	\$25.70	\$23.34
3	14-Nov-12	\$25.29	\$23.39
4	15-Nov-12	\$25.06	\$23.43
5	16-Nov-12	\$24.78	\$23.46
6	19-Nov-12	\$24.63	\$23.49
7	20-Nov-12	\$25.64	\$23.54
8	21-Nov-12	\$25.71	\$23.59
9	23-Nov-12	\$26.39	\$23.65
10	26-Nov-12	\$27.84	\$23.74
11	27-Nov-12	\$27.66	\$23.83
12	28-Nov-12	\$27.50	\$23.90
13	29-Nov-12	\$28.17	\$23.99
14	30-Nov-12	\$25.90	\$24.03
15	3-Dec-12	\$25.66	\$24.06
16	4-Dec-12	\$26.31	\$24.10
17	5-Dec-12	\$25.61	\$24.13
18	6-Dec-12	\$26.41	\$24.17
19	7-Dec-12	\$26.83	\$24.22
20	10-Dec-12	\$27.14	\$24.28
21	11-Dec-12	\$27.68	\$24.33
22	12-Dec-12	\$27.65	\$24.39
23	13-Dec-12	\$27.37	\$24.44
24	14-Dec-12	\$27.75	\$24.50
25	17-Dec-12	\$28.81	\$24.57

For Class Members who held Questcor common stock at the beginning of the Class Period or made multiple purchases, acquisitions, or sales during the Class Period, the first-in, first-out ("FIFO") method will be applied to such holdings, purchases, acquisitions, and sales for purposes of calculating a claim. Under the FIFO method, sales of Questcor common stock during the Class Period will be matched in chronological order, first against common stock held at the beginning of the Class Period. The remaining sales of Questcor common stock during the Class Period will then be matched, in chronological order, against Questcor common stock purchased or acquired during the Class Period.

1 An Authorized Claimant will be eligible to receive a distribution from the Net  
2 Settlement Fund only if a Class Member had a net loss, after all profits from  
3 transactions in Questcor common stock during the Class Period are subtracted from all  
4 losses. However, the proceeds from sales of Questcor common stock which have  
5 been matched against Questcor common stock held at the beginning of the Class  
6 Period will not be used in the calculation of such net loss.

7 The Court has reserved jurisdiction to allow, disallow, or adjust the claim of  
8 any Class Member on equitable grounds.

9 Payment pursuant to the Plan of Allocation set forth above shall be conclusive  
10 against all Authorized Claimants. No Person shall have any claim against Plaintiffs,  
11 any counsel for Plaintiffs, any claims administrator or other Person designated by  
12 Lead Counsel, Defendants, the Related Parties, the Released Persons, or counsel for  
13 Defendants based on distributions made substantially in accordance with the  
14 Stipulation and the settlement contained therein, the Plan of Allocation, or further  
15 orders of the Court. All Class Members who fail to complete and file a valid and  
16 timely Proof of Claim shall be barred from participating in distributions from the Net  
17 Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound  
18 by all of the terms of the Stipulation, including the terms of any judgment entered and  
19 the releases given.

20 **HOW YOU GET A PAYMENT – SUBMITTING A CLAIM FORM**

21 **10. How will I get a payment?**

22 To qualify for a payment, you must send in a Proof of Claim. A Proof of Claim  
23 is enclosed with this Notice or it can be downloaded at  
24 [www.questcorsecuritieslitigation.com](http://www.questcorsecuritieslitigation.com). Read the instructions carefully, fill out the  
25 form, include all the documents the form asks for, sign it, and mail it in the enclosed  
26 envelope or submit it online no later than \_\_\_\_\_, 2015. The claim form may be  
27 submitted online at [www.questcorsecuritieslitigation.com](http://www.questcorsecuritieslitigation.com).  
28



1           **11. When would I get my payment?**

2           The Court will hold a hearing on \_\_\_\_\_, 2015, at \_\_\_\_\_, to decide  
3 whether to approve the settlement.<sup>5</sup> If Judge Gee approves the settlement, there may  
4 be appeals. It is always uncertain whether these appeals can be resolved favorably,  
5 and resolving them can take time, perhaps more than a year. It also takes time for all  
6 the claim forms to be processed. If there are no appeals and depending on the number  
7 of claims submitted, the Claims Administrator could distribute the Net Settlement  
8 Fund as early as nine months after the fairness hearing. Please be patient.

9           **12. What am I giving up to get a payment or stay in the Class?**

10          Unless you exclude yourself, you are staying in the Class, and that means that  
11 you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants  
12 about the same issues in this case or about issues that could have been asserted in this  
13 case. It also means that all of the Court's orders will apply to you and legally bind  
14 you and you will release your Released Claims in this case against Defendants and  
15 their Related Parties. "Released Claims" means any and all claims and causes of  
16 action of every nature and description whatsoever whether known or unknown, asserted  
17 or unasserted, whether arising under federal, state, local, statutory, common, foreign or  
18 administrative law, or any other law, rule or regulation, whether fixed or contingent, at  
19 law or in equity, whether class or individual in nature, that Plaintiffs, or any other  
20 Member of the Class or the representatives, heirs, successors-in-interest and assigns of  
21 any of them, asserted in the Litigation or could have asserted, directly or indirectly, in  
22 any forum that arise out of or are based upon or related to (i) the purchase or acquisition  
23 of Questcor common stock, and (ii) the claims, allegations, transactions, facts, matters,  
24 circumstances, or occurrences, representations or omissions involved, set forth, alleged,

25 \_\_\_\_\_  
26 <sup>5</sup> The date and/or time of the Court hearing on the fairness of the settlement may  
27 change without further notice to the Class. If you plan on attending the Court hearing,  
28 please check the website, [www.questcorsecurities.com](http://www.questcorsecurities.com) or call Rick Nelson,  
Shareholder Relations representative of Lead Counsel at 1-800-449-4900 to confirm  
that the date and/or time has not changed.

embraced, encompassed, or otherwise referred to in the Complaint. "Released Claims" includes "Unknown Claims" as defined in ¶1.28 of the Stipulation.

"Related Parties" means each of a Defendant's respective present and former parents, subsidiaries, divisions and affiliates and the respective present and former employees, members, partners, principals, officers, directors, attorneys, advisors, accountants, auditors, and insurers of each of them; and the predecessors, successors, estates, heirs, executors, trusts, trustees, administrators, agents, representatives and assigns of each of them, in their capacity as such.

### **EXCLUDING YOURSELF FROM THE SETTLEMENT**

If you do not want a payment from this settlement, but you want to keep the right to sue or continue to sue the Defendants on your own about the same issues in this case, then you must take steps to get out of the Class. This is called excluding yourself or is sometimes referred to as opting out of the Class.

#### **13. How do I get out of the Class?**

To exclude yourself from the Class, you must send a letter by mail stating that you want to be excluded from *In re Questcor Pharmaceuticals, Inc. Securities Litigation*, No. 8:12-cv-01623-DMG(JPRx). You must sign the letter, and include (a) your name, address, telephone number; and (b) the date, price and number of shares of all of your purchases, acquisitions and sales of Questcor common stock during the Class Period. You must mail your exclusion request postmarked no later than twenty-eight (28) days prior to the Settlement Hearing to:

*Questcor Securities Litigation*  
Claims Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 8040  
San Rafael, CA 94912-8040

You cannot exclude yourself on the phone or by e-mail. If you ask to be excluded, you are not eligible to get any settlement payment, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit.



1       **14. If I do not exclude myself, can I sue Defendants for the same thing**  
2 **later?**

3       No. Unless you exclude yourself, you give up any right to sue Defendants or  
4 any Released Person for the claims that this settlement resolves. Remember, the  
5 exclusion deadline twenty-eight (28) days prior to the Settlement Hearing.

6       **15. If I exclude myself, can I get money from this settlement?**

7       No. If you exclude yourself, do not send in a Proof of Claim to ask for any  
8 money. Once you exclude yourself, you will receive no cash payment even if you  
9 also submit a Proof of Claim.

10                   **THE LAWYERS REPRESENTING YOU**

11       **16. Do I have a lawyer in this case?**

12       The Court appointed the law firm of Robbins Geller Rudman & Dowd LLP to  
13 represent you and other Class Members. These lawyers are called Lead Counsel.  
14 These lawyers will apply to the Court for payment from the Settlement Fund; you will  
15 not otherwise be charged for their work. If you want to be represented by your own  
16 lawyer, you may hire one at your own expense.

17       **17. How will the lawyers be paid?**

18       At the fairness hearing, Lead Counsel will request the Court to award attorneys'  
19 fees not to exceed 27.5% of the Settlement Fund and expenses not to exceed  
20 \$675,000, in connection with the Litigation. Plaintiffs may also request up to \$10,000  
21 in the aggregate for their time and expenses in representing the Class. If awarded, the  
22 cost would be approximately \$0.26 per share. This compensation will be paid from  
23 the Settlement Fund. Class Members are not personally liable for any such fees or  
24 expenses. To date, Lead Counsel have not received any payment for their services in  
25 conducting this Litigation on behalf of the Plaintiffs and the Class, nor have counsel  
26 been paid for their expenses. The fee requested will compensate Lead Counsel for  
27 their work in achieving the Settlement Fund and is well within the range of fees  
28

1 awarded to class counsel under similar circumstances in other cases of this type. The  
2 Court may award less than this amount.

3 **OBJECTING TO THE SETTLEMENT**

4 You can tell the Court that you do not agree with the settlement, the Plan of  
5 Allocation, Lead Counsel's request for an award of attorneys' fees and expenses, or  
6 Plaintiffs' expenses.

7 **18. How do I tell the Court that I do not like the settlement?**

8 If you are a Class Member (and you have not excluded yourself), you can object  
9 to the settlement, the request for attorneys' fees and expenses, the requested awards to  
10 Plaintiffs for their time and expenses in representing the Class, or the Plan of  
11 Allocation if you do not like any part of it. The Court can only approve or deny the  
12 settlement. You cannot ask the Court to order a larger settlement. If the Court denies  
13 the settlement, no settlement payments will be sent out and the lawsuit will continue.  
14 You can give reasons why you think the Court should not approve the settlement, the  
15 request for attorneys' fees and expenses, the requested awards to Plaintiffs, or the Plan  
16 of Allocation. The Court will consider your views. To object, you must file an  
17 objection saying that you object to the proposed settlement in *In re Questcor*  
18 *Pharmaceuticals, Inc. Securities Litigation*, No. 8:12-cv-01623-DMG(JPRx). Be sure  
19 to include your name, address, telephone number, your signature, the number of  
20 shares of Questcor common stock you purchased or otherwise acquired during the  
21 period from April 4, 2011 through September 21, 2012, inclusive, and the reasons you  
22 object to the settlement, the requested attorneys' fees and expenses, the requested  
23 awards to Plaintiffs, and/or the Plan of Allocation. Any such objection must be  
24 mailed or delivered such that it is received by each of the following no later than  
25 twenty-eight (28) days prior to the Settlement Hearing.



*Court:*

Clerk of the Court  
United States District Court  
Central District of California  
Southern Division  
United States Courthouse  
312 North Spring Street, Room G-8  
Los Angeles, CA 90012

*Counsel for Plaintiffs:*

ROBBINS GELLER RUDMAN & DOWD LLP  
JEFFREY D. LIGHT  
655 West Broadway, Suite 1900  
San Diego, CA 92101

*Counsel for Defendants:*

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP  
PETER B. MORRISON  
300 South Grand Avenue  
Los Angeles, CA 90071

LATHAM & WATKINS LLP  
PETER A. WALD  
650 Town Center Drive, 20th Floor  
Costa Mesa, CA 92626

**19. What is the difference between objecting and excluding myself from the settlement?**

Objecting is telling the Court that you do not like something about the proposed settlement. You can object *only* if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer applies to you.

**THE COURT'S FAIRNESS HEARING**

The Court will hold a hearing to decide whether to approve the proposed settlement. You may attend, but you do not have to.

**20. When and where will the Court decide whether to approve the settlement?**

The Court will hold a hearing at \_\_\_\_\_, on \_\_\_\_\_, 2015, at the United States District Court for the Central District of California, Southern Division, United



1 States Courthouse, 312 North Spring Street, Courtroom 7, Los Angeles, CA 90012.  
2 At this hearing, the Court will consider whether the settlement is fair, reasonable, and  
3 adequate. If there are objections, the Court will consider them. The Court will listen  
4 to people who have asked to speak at the hearing. The Court will also decide whether  
5 to approve the payment of attorneys' fees and expenses to Lead Counsel, whether to  
6 approve the expenses of Plaintiffs, and whether to approve the Plan of Allocation. We  
7 do not know how long the hearing will take or whether the Court will make its  
8 decision on the day of the hearing or sometime later.

9 **21. Do I have to come to the hearing?**

10 No. Lead Counsel will answer questions Judge Gee may have. But, you are  
11 welcome to come at your own expense. If you send an objection, you do not have to  
12 come to Court to talk about it. As long as you mailed your written objection on time,  
13 the Court will consider it. You may also pay your own lawyer to attend, but you are  
14 not required to do so.

15 **22. May I speak at the hearing?**

16 You may ask the Court for permission to speak at the hearing. To do so, you  
17 must send a letter saying that it is your intention to appear in *In re Questcor*  
18 *Pharmaceuticals, Inc. Securities Litigation*, No. 8:12-cv-01623-DMG(JPRx). Be sure  
19 to include your name, address, telephone number, your signature, and the number of  
20 shares of Questcor common stock you purchased or otherwise acquired between April  
21 4, 2011 and September 21, 2012, inclusive. Your notice of intention to appear must  
22 be filed with the Clerk of the Court and sent to Plaintiffs' and Defendants' counsel at  
23 the addresses listed in Question 18 so that it is received on or before \_\_\_\_\_,  
24 2015. You cannot speak at the hearing if you exclude yourself from the Class.

25  
26  
27  
28

**IF YOU DO NOTHING**

**23. What happens if I do nothing at all?**

If you do nothing, you will get no money from this settlement. But, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants or the Released Persons about the same issues in this case.

**GETTING MORE INFORMATION**

**24. Are there more details about the settlement?**

This Notice summarizes the settlement. For the complete terms and conditions of the settlement, please see the Stipulation available at [www.questcorsecuritieslitigation.com](http://www.questcorsecuritieslitigation.com). You can also call 1-800-449-4900 or write to a representative of Lead Counsel, Rick Nelson, Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101 for more information about the settlement or the Litigation. You can also access the Court docket in this case by visiting the office of the Clerk of the Court for the United States District Court for the Central District of California, Southern Division, 312 North Spring Street, Room G-8, Los Angeles, CA 90012. ***PLEASE DO NOT CALL THE COURT OR THE CLERK OF THE COURT FOR ADDITIONAL INFORMATION ABOUT THE SETTLEMENT OR THE CLAIMS PROCESS.***

**25. Special notice to banks, brokers, and other nominees**

If you held any Questcor common stock purchased or otherwise acquired between April 4, 2011 and September 21, 2012, inclusive, as a nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice by First-Class Mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:



1                   *Questcor Securities Litigation*  
2                   Claims Administrator  
3                   c/o Gilardi & Co. LLC  
4                   P.O. Box 8040  
5                   San Rafael, CA 94912-8040

6           If you choose to mail the Notice and Proof of Claim yourself, you may obtain  
7           from the Claims Administrator (without cost to you) as many additional copies of  
8           these documents as you will need to complete the mailing.

9           Regardless of whether you choose to complete the mailing yourself or elect to  
10          have the mailing performed for you, you may obtain reimbursement for or  
11          advancement of reasonable administrative costs actually incurred or expected to be  
12          incurred in connection with forwarding the Notice and which would not have been  
13          incurred but for the obligation to forward the Notice, upon submission of appropriate  
14          documentation to the Claims Administrator.

15          DATED: \_\_\_\_\_, 2015

16                                   BY ORDER OF THE COURT  
17                                   UNITED STATES DISTRICT COURT  
18                                   CENTRAL DISTRICT OF CALIFORNIA  
19                                   SOUTHERN DIVISION  
20  
21  
22  
23  
24  
25  
26  
27  
28

# **EXHIBIT A-2**



1 ROBBINS GELLER RUDMAN  
& DOWD LLP  
2 ANDREW J. BROWN (160562)  
THOMAS E. EGLER (189871)  
3 ROBERT K. LU (198607)  
ERIK W. LUEDEKE (249211)  
4 655 West Broadway, Suite 1900  
San Diego, CA 92101  
5 Telephone: 619/231-1058  
619/231-7423 (fax)  
6 andrewb@rgrdlaw.com  
tome@rgrdlaw.com  
7 rlu@rgrdlaw.com  
eluedeke@rgrdlaw.com

8 Lead Counsel for Plaintiffs

9 BARRETT JOHNSTON MARTIN  
& GARRISON, LLC  
10 GERALD E. MARTIN  
11 TIMOTHY L. MILES  
Bank of America Plaza  
12 414 Union Street, Suite 900  
Nashville, TN 37219  
13 Telephone: 615/244-2202  
615/252-3798 (fax)

14 Additional Plaintiffs' Counsel

15  
16 UNITED STATES DISTRICT COURT  
17 CENTRAL DISTRICT OF CALIFORNIA  
18 SOUTHERN DIVISION

19 In re QUESTCOR  
PHARMACEUTICALS, INC.  
20 SECURITIES LITIGATION

No. 8:12-cv-01623-DMG(JPRx)

CLASS ACTION

21 This Document Relates To:  
22 ALL ACTIONS.  
23

PROOF OF CLAIM AND RELEASE

EXHIBIT A-2

1 **I. GENERAL INSTRUCTIONS**

2 1. To recover as a Member of the Class based on your claims in the  
3 consolidated action entitled *In re Questcor Pharmaceuticals, Inc. Securities*  
4 *Litigation*, No. 8:12-cv-01623-DMG(JPRx) (the "Litigation"), you must complete  
5 and, on page \_\_\_\_ hereof, sign this Proof of Claim and Release form ("Proof of  
6 Claim"). If you fail to file a properly addressed (as set forth in paragraph 3 below)  
7 Proof of Claim, your claim may be rejected and you may be precluded from any  
8 recovery from the Net Settlement Fund created in connection with the proposed  
9 settlement.

10 2. Submission of this Proof of Claim, however, does not assure that you will  
11 share in the proceeds of the settlement of the Litigation.

12 3. YOU MUST MAIL OR SUBMIT ONLINE YOUR COMPLETED AND  
13 SIGNED PROOF OF CLAIM, ACCOMPANIED BY COPIES OF THE  
14 DOCUMENTS REQUESTED HEREIN, ON OR BEFORE \_\_\_\_\_, 2015,  
15 ADDRESSED AS FOLLOWS:

16 *Questcor Securities Litigation*  
17 Claims Administrator  
18 c/o Gilardi & Co. LLC  
19 P.O. Box 8040  
San Rafael, CA 94912-8040  
www.questcorsecuritieslitigation.com

20 If you are NOT a Member of the Class (as defined in the Notice of Proposed  
21 Settlement of Class Action ("Notice")) DO NOT submit a Proof of Claim.

22 4. If you are a Member of the Class and you did not timely request  
23 exclusion in connection with the settlement, you are bound by the terms of any  
24 judgment entered in the Litigation, including the releases provided therein,  
25 WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM.

26 **II. CLAIMANT IDENTIFICATION**

27 If you purchased or acquired Questcor Pharmaceuticals, Inc. ("Questcor")  
28 common stock and held the certificate(s) in your name, you are the beneficial



1 purchaser as well as the record purchaser. If, however, you purchased or acquired  
2 Questcor common stock and the certificate(s) were registered in the name of a third  
3 party, such as a nominee or brokerage firm, you are the beneficial purchaser and the  
4 third party is the record purchaser.

5 Use Part I of this form entitled "Claimant Identification" to identify each  
6 purchaser of record ("nominee"), if different from the beneficial purchaser or acquirer  
7 of Questcor common stock which forms the basis of this claim. THIS CLAIM MUST  
8 BE FILED BY THE ACTUAL BENEFICIAL PURCHASER(S) OR ACQUIRER(S)  
9 OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER(S) OR  
10 ACQUIRER(S) OF THE QUESTCOR COMMON STOCK UPON WHICH THIS  
11 CLAIM IS BASED.

12 All joint purchasers must sign this claim. Executors, administrators, guardians,  
13 conservators, and trustees must complete and sign this claim on behalf of persons  
14 represented by them and their authority must accompany this claim and their titles or  
15 capacities must be stated. The Social Security (or taxpayer identification) number and  
16 telephone number of the beneficial owner may be used in verifying the claim. Failure  
17 to provide the foregoing information could delay verification of your claim or result in  
18 rejection of the claim.

### 19 **III. CLAIM FORM**

20 Use Part II of this form entitled "Schedule of Transactions in Questcor  
21 Common Stock" to supply all required details of your transaction(s) in Questcor  
22 common stock. If you need more space or additional schedules, attach separate sheets  
23 giving all of the required information in substantially the same form. Sign and print or  
24 type your name on each additional sheet.

25 On the schedules, provide all of the requested information with respect to *all* of  
26 your purchases and acquisitions and *all* of your sales of Questcor common stock  
27 which took place between April 4, 2011 and December 17, 2012, inclusive, whether  
28 such transactions resulted in a profit or a loss. You must also provide all of the

1 requested information with respect to *all* of the shares of Questcor common stock you  
2 held at the close of trading on April 3, 2011, September 21, 2012, and December 17,  
3 2012. Failure to report all such transactions may result in the rejection of your claim.

4 List each transaction in the Class Period separately and in chronological order,  
5 by trade date, beginning with the earliest. You must accurately provide the month,  
6 day, and year of each transaction you list.

7 The date of covering a "short sale" is deemed to be the date of purchase of  
8 Questcor common stock. The date of a "short sale" is deemed to be the date of sale of  
9 Questcor common stock.

10 Copies of broker confirmations or other documentation of your transactions in  
11 Questcor common stock should be attached to your claim. If you do not have  
12 documentation from your broker, you may also attach any documents or schedules  
13 that you attached to any federal tax return that reflect Class Period purchases or  
14 acquisitions of Questcor common stock or the sale of Questcor common stock.  
15 Failure to provide this documentation could delay verification of your claim or result  
16 in rejection of your claim.

17 NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large  
18 numbers of transactions may request, or may be requested, to submit information  
19 regarding their transactions in electronic files. All claimants **MUST** submit a  
20 manually signed paper Proof of Claim whether or not they also submit electronic  
21 copies. If you wish to file your claim electronically, you must contact the Claims  
22 Administrator at 1-888-564-2634 to obtain the required file layout. No electronic files  
23 will be considered to have been properly submitted unless the Claims Administrator  
24 issues to the claimant a written acknowledgment of receipt and acceptance of  
25 electronically submitted data.



UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION

*In re Questcor Pharmaceuticals, Inc. Securities Litigation*

No. 8:12-cv-01623-DMG(JPRx)

PROOF OF CLAIM AND RELEASE

Must Be Postmarked or Received No Later Than:

\_\_\_\_\_, 2015

Please Type or Print

PART I: CLAIMANT IDENTIFICATION			
Last Name	M.I.	First Name	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Last Name (Co-Beneficial Owner)	M.I.	First Name (Co-Beneficial Owner)	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
<input type="radio"/> IRA <input type="radio"/> Joint Tenancy <input type="radio"/> Employee <input type="radio"/> Individual <input type="radio"/> Other (specify) _____			
Company Name (Beneficial Owner - If Claimant is not an Individual) or Custodian Name if an IRA			
<input type="text"/>			
Trustee/Asset Manager/Nominee/Record Owner's Name (If Different from Beneficial Owner Listed Above)			
<input type="text"/>			
Account#/Fund# (Not Necessary for Individual Filers)			
<input type="text"/>			
Social Security Number		Taxpayer Identification Number	
<input type="text"/>		<input type="text"/>	
Telephone Number (Primary Daytime)		Telephone Number (Alternate)	
<input type="text"/>		<input type="text"/>	
Email Address			
<input type="text"/>			
MAILING INFORMATION			
Address			
<input type="text"/>			
Address			
<input type="text"/>			
City	State	Zip Code	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Foreign Province	Foreign Postal Code	Foreign Country Name/Abbreviation	
<input type="text"/>	<input type="text"/>	<input type="text"/>	

PART II: SCHEDULE OF TRANSACTIONS IN QUESTCOR COMMON STOCK

A. Number of shares of Questcor common stock held at the close of trading on April 3, 2011:

Proof Enclosed?  
☐ Y  
☐ N

B. Purchases or acquisitions of Questcor common stock (April 4, 2011-December 17, 2012, inclusive):

PURCHASES										Total Purchase Price (Excluding Commissions, Taxes and Fees) Please round off to the nearest whole dollar		Proof of Purchase Enclosed?	
Trade Date(s) of Shares (List Chronologically)		Number of Shares Purchased											
M	M	D	D	Y	Y	Y	Y						
1.	/	/	/	/	/	/	/			\$		. 00	<input type="checkbox"/> Y <input type="checkbox"/> N
2.	/	/	/	/	/	/	/			\$		. 00	<input type="checkbox"/> Y <input type="checkbox"/> N
3.	/	/	/	/	/	/	/			\$		. 00	<input type="checkbox"/> Y <input type="checkbox"/> N
4.	/	/	/	/	/	/	/			\$		. 00	<input type="checkbox"/> Y <input type="checkbox"/> N

IMPORTANT:

(i) If any purchase listed above covered a "short sale," please mark yes: ☐ Yes

(ii) If you received shares through an acquisition or merger, please identify the date, the share amount and the company acquired:

MM / DD / YYYY      MERGER SHARES      COMPANY

C. Sales of Questcor common stock (April 4, 2011 – December 17, 2012, inclusive):

SALES		Total Sales Price (Excluding Commissions, Taxes and Fees) Please round off to the nearest whole dollar	Proof of Sales Enclosed?																
Trade Date(s) of Shares (List Chronologically)		Number of Shares Sold																	
M	M	D	D	Y	Y	Y	Y												
1.																			
2.																			
3.																			
4.																			

D. Number of shares of Questcor common stock held at the close of trading on September 21, 2012:

Proof Enclosed? ☐ Y ☐ N

E. Number of shares of Questcor common stock held at the close of trading on December 17, 2012:

Proof Enclosed? ☐ Y ☐ N

**YOU MUST READ AND SIGN THE RELEASE ON PAGE \_\_. FAILURE TO SIGN THE RELEASE MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.**



1 **IV. SUBMISSION TO JURISDICTION OF COURT AND**  
2 **ACKNOWLEDGMENTS**

3 I (We) submit this Proof of Claim under the terms of the Stipulation of  
4 Settlement described in the Notice. I (We) also submit to the jurisdiction of the  
5 United States District Court for the Central District of California, with respect to my  
6 (our) claim as a Class Member and for purposes of enforcing the release set forth  
7 herein. I (We) further acknowledge that I am (we are) bound by and subject to the  
8 terms of any judgment that may be entered in the Litigation. I (We) agree to furnish  
9 additional information to the Claims Administrator to support this claim if requested  
10 to do so. I (We) have not submitted any other claim covering the same purchases,  
11 acquisitions, or sales of Questcor common stock during the Class Period and know of  
12 no other person having done so on my (our) behalf.

13 **V. RELEASE**

14 1. I (We) hereby acknowledge full and complete satisfaction of, and do  
15 hereby fully, finally, and forever settle, release, and discharge from the Released  
16 Claims each and all of the "Released Persons," defined as each and all of the  
17 Defendants and their Related Parties. "Related Parties" means each of a Defendant's  
18 respective present and former parents, subsidiaries, divisions and affiliates and the  
19 respective present and former employees, members, partners, principals, officers,  
20 directors, attorneys, advisors, accountants, auditors, and insurers of each of them; and  
21 the predecessors, successors, estates, heirs, executors, trusts, trustees, administrators,  
22 agents, representatives and assigns of each of them, in their capacity as such.

23 2. "Released Claims" means any and all claims and causes of action of every  
24 nature and description whatsoever whether known or unknown, asserted or unasserted,  
25 whether arising under federal, state, local, statutory, common, foreign or administrative  
26 law, or any other law, rule or regulation, whether fixed or contingent, at law or in  
27 equity, whether class or individual in nature, that Plaintiffs, or any other Member of the  
28 Class or the representatives, heirs, successors-in-interest and assigns of any of them,



1 asserted in the Litigation or could have asserted, directly or indirectly, in any forum that  
2 arise out of or are based upon or related to (i) the purchase or acquisition of Questcor  
3 common stock, and (ii) the claims, allegations, transactions, facts, matters,  
4 circumstances, or occurrences, representations or omissions involved, set forth, alleged,  
5 embraced, encompassed, or otherwise referred to in the Complaint. "Released Claims"  
6 includes "Unknown Claims" as defined in ¶1.28 of the Stipulation.

7 3. "Unknown Claims" means any claims which Plaintiffs or Class Members  
8 do not know or suspect to exist in his, her or its favor at the time of the release of the  
9 Released Persons which, if known by him, her or it, might have affected his, her or its  
10 settlement with and release of the Released Persons, or might have affected his, her or  
11 its decision not to object to this settlement or seek exclusion from the Class. With  
12 respect to any and all Released Claims, the Settling Parties stipulate and agree that,  
13 upon the Effective Date, Plaintiffs shall expressly waive and each of the Class  
14 Members shall be deemed to have, and by operation of the Judgment shall have,  
15 expressly waived the provisions, rights, and benefits of California Civil Code §1542,  
16 which provides:

17 **A general release does not extend to claims which the creditor**  
18 **does not know or suspect to exist in his or her favor at the time of**  
19 **executing the release, which if known by him or her must have**  
20 **materially affected his or her settlement with the debtor.**

21 Plaintiffs shall expressly waive and each of the Class Members shall be deemed to  
22 have, and by operation of the Judgment shall have, expressly waived any and all  
23 provisions, rights, and benefits conferred by any law of any state or territory of the  
24 United States or any foreign country, or any principle of common law, which is  
25 similar, comparable or equivalent in substance to California Civil Code §1542.  
26 Plaintiffs and Class Members may hereafter discover facts in addition to or different  
27 from those which he, she or it now knows or believes to be true with respect to the  
28 subject matter of the Released Claims, but Plaintiffs shall expressly settle and release

1 and each Class Member, upon the Effective Date, shall be deemed to have, and by  
2 operation of the Judgment shall have, fully, finally, and forever settled and released  
3 any and all Released Claims, known or unknown, suspected or unsuspected,  
4 contingent or non-contingent, whether or not concealed or hidden, which now exist, or  
5 heretofore have existed, upon any theory of law or equity now existing or coming into  
6 existence in the future, including, but not limited to, conduct which is negligent,  
7 intentional, with or without malice, or a breach of any duty, law or rule, without  
8 regard to the subsequent discovery or existence of such different or additional facts.  
9 Plaintiffs acknowledge, and the Class Members shall be deemed by operation of the  
10 Judgment to have acknowledged, that the foregoing waiver was separately bargained  
11 for and a key element of the settlement of which this release is a part.

12 4. I (We) hereby warrant and represent that I (we) have not assigned or  
13 transferred or purported to assign or transfer, voluntarily or involuntarily, any matter  
14 released pursuant to this release or any other part or portion thereof.

15 5. I (We) hereby warrant and represent that I (we) have included  
16 information about all of my (our) transactions in Questcor common stock which  
17 occurred between April 4, 2011 and December 17, 2012, inclusive, as well as the  
18 number of shares of Questcor common stock held by me (us) at the close of trading on  
19 April 3, 2011, September 21, 2012, and December 17, 2012.



1 I (We) declare under penalty of perjury under the laws of the United States of  
2 America that all of the foregoing information supplied on this Proof of Claim by the  
3 undersigned is true and correct.

4  
5 Executed this \_\_\_\_\_ day of \_\_\_\_\_ in \_\_\_\_\_  
(Month/Year) (City/State/Country)

6  
7 (Sign your name here)

(Sign your name here)

8  
(Type or print your name here)

(Type or print your name here)

9  
10 (Capacity of person(s) signing, e.g.,  
Beneficial Purchaser, Executor or Administrator)

(Capacity of person(s) signing, e.g.,  
Beneficial Purchaser, Executor or Administrator)

11 ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME.  
THANK YOU FOR YOUR PATIENCE.

12 Reminder Checklist:

- 13 1. Please sign the above release and declaration.  
14 2. If this Claim is being made on behalf of Joint Claimants,  
15 then both must sign.  
16 3. Remember to attach copies of supporting documentation,  
17 if available.  
18 4. Do not send originals of certificates.  
19 5. Keep a copy of your claim form and all supporting  
20 documentation for your records.  
21 6. If you desire an acknowledgment of receipt of your claim form  
22 please send it Certified Mail, Return Receipt Requested.  
23 7. If you move, please send your new address to the address  
24 below.  
25 8. Do not use red pen or highlighter on the Proof of Claim  
26 and Release form or supporting documentation.

27 Questcor Securities Litigation  
28 Claims Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 8040  
San Rafael, CA 94912-8040  
www.questcorsecuritieslitigation.com

# **EXHIBIT A-3**



1 ROBBINS GELLER RUDMAN  
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2 ANDREW J. BROWN (160562)  
THOMAS E. EGLER (189871)  
3 ROBERT K. LU (198607)  
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8 Lead Counsel for Plaintiffs

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13 Telephone: 615/244-2202  
615/252-3798 (fax)

14 Additional Plaintiffs' Counsel

16 UNITED STATES DISTRICT COURT  
17 CENTRAL DISTRICT OF CALIFORNIA  
18 SOUTHERN DIVISION

19 In re QUESTCOR  
20 PHARMACEUTICALS, INC.  
21 SECURITIES LITIGATION

22 This Document Relates To:  
23 ALL ACTIONS.

} No. 8:12-cv-01623-DMG(JPRx)

} CLASS ACTION

} SUMMARY NOTICE

} EXHIBIT A-3

1 TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED  
2 QUESTCOR PHARMACEUTICALS, INC. ("QUESTCOR") COMMON  
3 STOCK BETWEEN APRIL 4, 2011 AND SEPTEMBER 21, 2012,  
4 INCLUSIVE

5 YOU ARE HEREBY NOTIFIED that pursuant to an Order of the United States  
6 District Court for the Central District of California, Southern Division, a hearing will  
7 be held on \_\_\_\_\_, 2015, at \_\_\_\_\_.m., before the Honorable Dolly M. Gee,  
8 United States District Judge, at the United States District Court for the Central District  
9 of California, Southern Division, United States Courthouse, 312 North Spring Street,  
10 Courtroom 7, Los Angeles, CA 90012, for the purpose of determining whether: (1) the  
11 settlement of the Litigation for the sum of \$38,000,000 in cash should be approved by  
12 the Court as fair, reasonable, and adequate; (2) the Plan of Allocation of settlement  
13 proceeds should be approved by the Court as fair, reasonable, and adequate; (3) Lead  
14 Counsel's application for the payment of attorneys' fees not to exceed 27.5% of the  
15 settlement proceeds and expenses incurred in connection with this Litigation, together  
16 with interest thereon, should be approved by the Court; (4) Plaintiffs' request to be  
17 paid for their time and expenses in representing the Class should be approved by the  
18 Court; and (5) the Court should enter the Final Judgment and Order of Dismissal with  
19 Prejudice.

20 If you purchased Questcor common stock between April 4, 2011 and September  
21 21, 2012, inclusive, your rights may be affected by this Litigation and the settlement  
22 thereof. If you have not received a detailed Notice of Proposed Settlement of Class  
23 Action and a copy of the Proof of Claim and Release form, you may obtain copies by  
24 writing to *Questcor Securities Litigation*, Claims Administrator, c/o Gilardi & Co.  
25 LLC, P.O. Box 8040, San Rafael, CA 94912-8040, or by downloading this  
26 information at [www.questcorsecuritieslitigation.com](http://www.questcorsecuritieslitigation.com). If you are a Class Member, in  
27 order to share in the distribution of the Net Settlement Fund, you must submit a Proof  
28 of Claim and Release form by mail or online no later than \_\_\_\_\_, 2015,  
establishing that you are entitled to a recovery. You will be bound by any judgment



1 rendered in the Litigation unless you request to be excluded, in writing, to the above  
2 address of the Claims Administrator, postmarked no later than twenty-eight (28) days  
3 prior to the Settlement Hearing.

4 Any objection to any aspect of the settlement must be mailed or filed with the  
5 Clerk of the Court at the United States District Court for the Central District of  
6 California, United States Courthouse, 312 North Spring Street, Room G-8, Los  
7 Angeles, CA 90012, such that it is filed on or before \_\_\_\_\_, 2015, and  
8 received by the following counsel no later than twenty-eight (28) days prior to the  
9 Settlement Hearing:

10 *Counsel for Plaintiffs:*

11 ROBBINS GELLER RUDMAN & DOWD LLP  
12 JEFFREY D. LIGHT  
13 655 West Broadway, Suite 1900  
14 San Diego, CA 92101

15 *Counsel for Defendants:*

16 SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP  
17 PETER B. MORRISON  
18 300 South Grand Avenue  
19 Los Angeles, CA 90071

20 LATHAM & WATKINS LLP  
21 PETER A. WALD  
22 650 Town Center Drive, 20th Floor  
23 Costa Mesa, CA 92626

24 **PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S**  
25 **OFFICE REGARDING THIS NOTICE.** If you have any questions about the  
26 settlement or the Litigation, you may contact Lead Counsel at the address above or  
27 call Rick Nelson, Shareholder Representative for Lead Counsel at 1-800-449-4900.  
28

DATED: \_\_\_\_\_, 2015

BY ORDER OF THE COURT  
UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION



# **EXHIBIT B**

1 ROBBINS GELLER RUDMAN  
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13 Telephone: 615/244-2202  
615/252-3798 (fax)

14 Additional Plaintiffs' Counsel

16 UNITED STATES DISTRICT COURT  
17 CENTRAL DISTRICT OF CALIFORNIA  
18 SOUTHERN DIVISION

19 In re QUESTCOR  
20 PHARMACEUTICALS, INC.  
SECURITIES LITIGATION

No. 8:12-cv-01623-DMG(JPRx)

CLASS ACTION

21  
22 This Document Relates To:

[PROPOSED] FINAL JUDGMENT  
AND ORDER OF DISMISSAL WITH  
PREJUDICE

23 ALL ACTIONS.

EXHIBIT B

1 This matter came before the Court pursuant to the Order Preliminarily  
2 Approving Settlement and Providing for Notice ("Order") dated \_\_\_\_\_, 2015, on  
3 the application of the parties for approval of the settlement set forth in the Stipulation  
4 of Settlement dated as of April 8, 2015 (the "Stipulation"). Due and adequate notice  
5 having been given to the Class as required in said Order, and the Court having  
6 considered all papers filed and proceedings had herein and otherwise being fully  
7 informed in the premises and good cause appearing therefore, IT IS HEREBY  
8 ORDERED, ADJUDGED, AND DECREED that:

9 1. This Judgment incorporates by reference the definitions in the  
10 Stipulation, and all terms used herein shall have the same meanings as set forth in the  
11 Stipulation, unless otherwise set forth herein.

12 2. This Court has jurisdiction over the subject matter of the Litigation and  
13 over all parties to the Litigation, including all Members of the Class.

14 3. Pursuant to Federal Rule of Civil Procedure 23, the Court hereby  
15 approves the settlement set forth in the Stipulation and finds that:

16 (a) said Stipulation and the settlement contained therein, are, in all  
17 respects, fair, reasonable, and adequate and in the best interest of the Class;

18 (b) there was no collusion in connection with the Stipulation;

19 (c) the Stipulation was the product of informed, arm's-length  
20 negotiations among competent, able counsel; and

21 (d) the record is sufficiently developed and complete to have enabled  
22 Plaintiffs and the Defendants to have adequately evaluated and considered their  
23 positions.

24 4. Accordingly, the Court authorizes and directs implementation and  
25 performance of all the terms and provisions of the Stipulation, as well as the terms and  
26 provisions hereof. Except as to any individual claim of those Persons (identified in  
27 Exhibit 1 attached hereto) who have validly and timely requested exclusion from the  
28 Class, the Court hereby dismisses the Litigation and all Released Claims of the Class



1 with prejudice. The Settling Parties are to bear their own costs, except as and to the  
2 extent provided in the Stipulation and herein.

3 5. Upon the Effective Date, and as provided in the Stipulation, Plaintiffs  
4 shall, and each of the Class Members shall be deemed to have, and by operation of  
5 this Judgment shall have, fully, finally, and forever released, relinquished, and  
6 discharged any and all Released Claims (including Unknown Claims) against the  
7 Released Persons, whether or not such Class Member executes and delivers the Proof  
8 of Claim and Release form or shares in the Settlement Fund. Claims to enforce the  
9 terms of the Stipulation are not released.

10 6. Plaintiffs and all Class Members are hereby forever barred and enjoined  
11 from prosecuting any of the Released Claims against any of the Released Persons.

12 7. Upon the Effective Date, and as provided in the Stipulation, each of the  
13 Released Persons shall be deemed to have, and by operation of this Judgment shall  
14 have, fully, finally, and forever released, relinquished, and discharged Plaintiffs and  
15 each and all of the Class Members, and Plaintiffs' counsel from all claims and causes  
16 of action of every nature and description (including Unknown Claims), whether  
17 arising under federal (including Federal Rules of Civil Procedure 11 and 37.1), state,  
18 common or foreign law, that arise out of or relate to the institution, prosecution, or  
19 settlement of the claims against Defendants, except for claims relating to the  
20 enforcement of the settlement.

21 8. The Notice of Proposed Settlement of Class Action given to the Class  
22 was the best notice practicable under the circumstances, including the individual  
23 notice to all Members of the Class who could be identified through reasonable effort.  
24 Said notice provided the best notice practicable under the circumstances of those  
25 proceedings and of the matters set forth therein, including the settlement set forth in  
26 the Stipulation, to all Persons entitled to such notice, and said notice fully satisfied the  
27 requirements of Federal Rule of Civil Procedure 23 and the requirements of due  
28 process.

1           9. Any Plan of Allocation submitted by Lead Counsel or any order entered  
2 regarding any attorneys' fee and expense application shall in no way disturb or affect  
3 this Judgment and shall be considered separate from this Judgment.

4           10. Neither the Stipulation nor the settlement contained therein, nor any act  
5 performed or document executed pursuant to or in furtherance of the Stipulation or the  
6 settlement: (a) is or may be deemed to be or may be used as an admission of, or  
7 evidence of, the validity of any Released Claim, or of any wrongdoing or liability of  
8 the Defendants or their respective Related Parties, or (b) is or may be deemed to be or  
9 may be used as an admission of, or evidence of, any fault or omission of any of the  
10 Defendants or their respective Related Parties in any civil, criminal, or administrative  
11 proceeding in any court, administrative agency, or other tribunal. The Defendants  
12 and/or their respective Related Parties may file the Stipulation and/or this Judgment  
13 from this action in any other action that may be brought against them in order to  
14 support a defense or counterclaim based on principles of *res judicata*, collateral  
15 estoppel, release, good faith settlement, judgment bar or reduction, or any theory of  
16 claim preclusion or issue preclusion or similar defense or counterclaim.

17           11. Without affecting the finality of this Judgment in any way, this Court  
18 hereby retains continuing jurisdiction over: (a) implementation of this settlement and  
19 any award or distribution of the Settlement Fund, including interest earned thereon;  
20 (b) disposition of the Settlement Fund; (c) hearing and determining applications for  
21 attorneys' fees, expenses, and interest in the Litigation; and (d) all parties herein for  
22 the purpose of construing, enforcing, and administering the Stipulation.

23           12. The Court finds that during the course of the Litigation, the Settling  
24 Parties and their respective counsel at all times complied with the requirements of  
25 Federal Rule of Civil Procedure 11.

26           13. In the event that the settlement does not become effective in accordance  
27 with the terms of the Stipulation, or the Effective Date does not occur, or in the event  
28 that the Settlement Fund, or any portion thereof, is returned to the Defendants and/or



1 their insurers, then this Judgment shall be rendered null and void to the extent  
2 provided by and in accordance with the Stipulation and shall be vacated and, in such  
3 event, all orders entered and releases delivered in connection herewith shall be null  
4 and void to the extent provided by and in accordance with the Stipulation.

5 14. Without further order of the Court, the Settling Parties may agree to  
6 reasonable extensions of time to carry out any of the provisions of the Stipulation.

7 15. The Court directs immediate entry of this Judgment by the Clerk of the  
8 Court.

9 IT IS SO ORDERED.

10

11 DATED: \_\_\_\_\_

\_\_\_\_\_  
THE HONORABLE DOLLY M. GEE  
UNITED STATES DISTRICT JUDGE

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CERTIFICATE OF SERVICE

I hereby certify that on April 13, 2015, I authorized the electronic filing of the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the e-mail addresses denoted on the attached Electronic Mail Notice List, and I hereby certify that I caused to be mailed the foregoing document or paper via the United States Postal Service to the non-CM/ECF participants indicated on the attached Manual Notice List.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on April 13, 2015.

s/ Andrew J. Brown  
ANDREW J. BROWN

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655 West Broadway, Suite 1900  
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E-mail: andrewb@rgrdlaw.com

**Mailing Information for a Case 8:12-cv-01623-DMG-JPR In re Questcor Securities Litigation****Electronic Mail Notice List**

The following are those who are currently on the list to receive e-mail notices for this case.

- **Ramzi Abadou**  
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### Manual Notice List

The following is the list of attorneys who are **not** on the list to receive e-mail notices for this case (who therefore require manual noticing). You may wish to use your mouse to select and copy this list into your word processing program in order to create notices or labels for these recipients.

- (No manual recipients)